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(Sgd.).

Date.

H.M. DIPLOMATIC SERVICE

DEPT.

OF POST FAR EASTERN DEPT

FILE No. FED 82 TLE: Hong Kong-International relations with lietnam

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1. 76 Harg Kong - Hel. 18 - Nef [17] 6.1.66. Put by Dur 12.1.66. 2 To Heng Kong - tel 50 3 Hong Kong - Vel H9 17.1.66 Tels Brokel. Pl sent copies of (3) by hand 12: Dr 1.5. Russell & Board of Mr Sjohnston. Supping Am J. E. Cable. F.O.
Avis Pestell. J. Then main to New Ross to us. Non may wish to see

4 To Here how - Vel. 99 - 22.1.66

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Washington to F.O. - Vel. 255 - 21.1.66

Noshington to F.O. - Rel. 254 - Ref(4) - 21.1.66

Noshington to F.O. - Rel. 263 - 22.1.66

Submission - 27.1.66.

I attach a note on U.S. pressure to impose an embargo on trade and shipping with Vietnam. An ex tra copy is provided in the event that Mrs. White wishes the papers to go forward to the Secretary of State.

2. A copy of the note has been sent to Mr. Wallace.

(W.S.Carter)

27th January, 1966.

The SAS world see Ew 28/1

You asked for this file weetly. Pleasure that papers then go forward to 505.

18 una - 28.1.66

Mr. Rose Los 3/2

2511.66 To Have bong . vel 108 To Hory Vorg - rel. 112 - Nef(5)(6) 25.1.66 To Hong thong - re/118 - ref 8) - 26.1.66 27.1.66 to whomen's when's Hing Mong - rel87 - ref(14) 29.1.66 Hery Wary re192 - Neflis) 81.1.66 31.1.66 1.0. to Washington. Del. 1232 31.1.66 Washington to Ko. Yel. 398 19 31.1.66 20 Penny to. F.B. rel80 22 Hong Korg (TAN Ellett) Weorpsufered Refs (6) 23 (63-65) whoops whered B/ Tracle. (Dr.J.S. Russell) ufcomp upend 28.1.66, 24 FO D. K Times) y/comps wfend 4.2.66. To Hong Kong - Vel 1151-26 1.2.66 To Hong Hong Hel 152 76 Horg Horg - rel. 154 1. 2.66. To Hong Warg vel. 168. Nof. (9) - 3.2.66 28 29 To Hong Wary - vel 171 Hong Worg vel 108 - Ref. (29) 4, 2.66 30

32 Mb Submission to Foreign Secretary

## Mrs White

The attached submission to the Foreign Secretary has been prepared by the Foreign Office in consultation with the Board of Trade and ourselves (Mr Ross). Although drafted only yesterday evening, paragraphs 5 and 6 are already out of date in that Mr Solomon, the State Department official who is to talk to us about this matter, has uninvited left for London. In the Communication of Seems mentable that we talk to him.

2. It was agreed that similar submissions would also be made to the President of the Board of Trade and Colonial Secretary.

3. The crux of the matter is that anything done in or by Hong Kong to meet the Americans on this issue is likely to have serious repercussions on the Colony (paragraph 3 of the FO submission read in conjunction with Part IV of Annex C). We might hope to convince the Americans that to create difficulties for Hong Kong in this way will greatly prejudice the facilities which their armed services at present enjoy there. In this sense Part IV of Annex C is right when it states that the issue is "at least in part for the Americans to study where the balance of advantage lies." But it is in Hong Kong's interest advantage lies." But it is in Hong Kong's interest that, wherever the balance of American advantage lies, we stand firm and give no ground on this. Kong's relations with China are passing through an awkward period on account of the facilities the Colony is affording to US armed forces; it seems certain that they are about to become more tense because of the presence there since the end of last month of two nuclear-powered US warships. stand we choose to make on the principle of general trade restrictions outside time of war, the Americans should be told that we are not prepared to prejudice the future of Hong Kong in this particular cause, which has nothing to comme nd it except that it satisfies American congressional opinion.

(W. S. Carter)
1st February, 1966

Me Caster-Please keep me informer of ontcome of talks with Mr. Solomon.

A. Ross lon

3340A Nashington to F.O. Hel. 409 - Ref (9) - 2.2.66 34th. Washington to - FD. Sav. 25. 3.2.66 35 42. Fo. yeons ufend. - Pet (65) 4.2.66 36 HB Hong Kang (T.A.K. Elliott) upens - Ref(n) (3)(9) 37 Ministe to Mrs White by Mr Corten yeard.

Elrengency hours (Re - enactments and Repeats) Act. 1964 Mr De Weinton.

heaver pressure from the U.S.

State Dept to bean trade
with North Vietname and the
entry of Br. Ships to N. Victnam
entry of Br. Ships to N. Victnam
ports. The State Dept sepresentative
who is descussing this matter
with Bf and For in hondon
art the moment has asked
and the moment has asked
that an order to effect this
action should be checke under
the Tomorgency Laws (Re-enactments
and Repeals) Act 1964 - I presume
Sec 3(1) see copy attached.

Board of Trade are

resisting this proposed on

The grounds that it would

the rising their powers for

purposes for which They were

never intended. The question

hees however been asked.

as to whether the Emergency

haws

hans Act 1964 applies to Hong Kong. It seems to me That Sec 9(1) is relevant to this question and that, subject to the wording of the Order made under Section 3(1) it might be made to apply to the movement or earriage of goods by all Br. Ships including those whose port of registry is Hong Kong ( which is not an excepted territory under The definition in Sec 9(2)). The Hong Kong Goot wight however feel That a local enactment night be necessary to give force to such an order Hough I am not at all clear how this might done. The prohibition of the Import Export of goods to N.Vietnam would seem to require new regulations under The HK Importation and Exportation Ord. (Cap 50) vide The note at (589) on 150 102/204/01. The present regs made under This Ord cover only strategic materials. I should be grateful for your advice In PHR3,

Mr. Reed

It seems to me correct that prohibitions or restrictions under Part I of the Emergency Laws (Re-enactments and Repeals) Act 1964 will apply to all persons on board any British ship, and consequently to all such persons on board a British ship registered in Hong Kong. However such prohibitions or restrictions will not apply to the exporter himself or to the owner of the ship or to other persons involved in the transaction unless they happen to be on board or are ordinarily resident in the United Kingdom and citizens of the United Kingdom and Colonies. In addition it seems from section 14 of the Act that any legal proceedings would have to be taken in the United Kingdom. Prohibitions under the Act therefore do not appear to be a very effective instrument for banning trade with North Vietnem from Hong kong

2. Amendments can be made to the regulations under the Hong Kong Importation and Exportation Ordinance which can impose any necessary restrictions on trade with North Vietnam.

M. G. de Wirton

(M.G. de Winton) 4th February, 1966.

Me Ross

You will wish to see.

39 . Submission

Mr. Sussex

I attach a submission which the Foreign Secretary received today to brief him for a meeting which was requested by the U.S. Ambassador and Mr. Solomon (U.S. Under-Secretary, Economic Affairs) on the subject of British shipping with North Vietnam. The original submission was signed by Mr. De La Mare (Assistant Under-Secretary of State, Foreign Office) but the sections in the Submission, as they applied to Hong Kong or British policy were drafted by ourselves and the Board of Trade respectively. In particular you may wish to note that in the recommendations given to the Foreign Secretary, the position of Hong Kong was fully safeguarded.

A copy of these papers has been sent to Mr. Wallace.

Sunon.

4th February, 1966.

40 To Hong Kong - Del. 194 6.2.66 41 To Hang Long - Hel 196 - nef(31)(29) 42 78 Hung chang vel197 Ref(41) 43 To Hong Worg vel. 198 - Nof. (30) - 6 2.66 H4 Hong Wary - Meh 125 - nef (41) - 7.2.66 45 Hang Kang - Hel. 126 - Nef(44) (31) - 17.2.66 46. Minute to Prime Menister by Michael Stewart 10 Downing Street (J.O. Wright) Ref (46) - 7.2.66 B/Trade n/corys nfends. Ref(46) - 1.2.66 9.2.66 49. F.O. yours when s

Mr. byallace

S submit opposite

a chraft minute for the Secretary

of State's signature commenting

on the Foreyn Secretary is minute

at (\$\frac{1}{100}\$), as requested by the

Prime Minuter's office at (\$\frac{1}{100}\$)

2. Concerning the dangers of asking

Hong Kong to do more than take

administrative action to disconvage

2. Concerning the dangers of asking Hong Kong to als more than take administrative action to discourage this trade please see part IV of an earlier submission at (32) and paras 4-5- of E/66 on previous papers. The limitations of administrative action are set out in Hong Kong telegram at (18).

L. S. Calar 8/2/66

Reart a little in amoretana lite Mr. Corta.

6

50 Minute to the Prime Minuster from the Secretary:

9.2.66

51 To Hang Hong - rel. 230 - nefl 41) (44)
- 11.2.66

Flag G

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Flag B

52 10 Journing Street - Minute by Prince Minustin 5 3 10 Journay Stock Minute by Promi Muste - Ref (48) 17.2.66 54 76 1) F. Munay - (80) 55 Hang there - rel 163 - ref (17) - 15.2.66 56 B Hong chang - vel. 289 nef(43) - 18.2.66 57 To Henry Revey - rel-290 - 18.2.66 Heng thery - rel: 195 - ref(56)(55) - 21.2.66 Mr. Carter Item No. 59 shows the draft letter which has bear submitted to the Foreign Secretary and if approved will be sent to Mr. Rusk and signed by the Foreign Secretary. As you will see from the draft, we have stood very firm on Hong Kong and certainly have gone no further than the Governor has suggested in his telegram No. 289 (no. 58). At departmental office le the Foreign Office are not particularly happy regarding Hong Kong and it is possible that either its Under Secretary at level should suggest that Hong Kong takes a more forthright line in support of U.S. policy. My own arguments have been that we have gone as far as it is prudent to go (and as far as the Governor wishes to go) and that if the Americans wish to push Hong Kong into a conflict with China over the question of Chinese chartered vessels trading with North Vietnam, then it is for the Americans and not for us to make the running. (5-9) when it issues mel be copied.

59 Maft telegram from F.O. to Washington. 60. Hang Kong (Political Adursis) escapsusen 8 16 21dl Cary on Però 82/403/65 6/ To 1) LTimins (Fe) egry (60) u/comps -22.266. 62. Washing ton to Fio. vel. 610 - 18.2.66 63 Washington to F.O. - Vel. 611 - Pef (62) - 18. 2.66. 64. B/Tracle to Washington - Del. CREDA 37 - 18.2.66. 65. Washington to F.O. - Ref(34) - 19.2.66. 66 Washington to FO. - Yel. 628 - 20.2.66. 67. Washington to Fo Vel. 651 - 1 - 2.266 68. 6/Trade (Russell) afconts afends. - Nef(58) this Pestell is sending info. dequested in (55). Herein with tel 218 from Hongkong

69 To Hang Kong - vel 340 - Ref (57) -24.261 70 To Harg Mang - Hel. 341 - Nefleg) - 24,2.66 71 Nashington to Fo- Vel. 657 - 23.2.66 72 Hong Warey - Nel. 218 - Ref(58) -25.2.66 he Ross. Lef (12) Min Restell has asked whether we see any abjection to paras 1 + 2 of (72) being pussed to The Americans is confidence ? Do you agree. Miss Pestall informed.

Mr. Carter

Miss Pestell (of South East Asia Department, Foreign Office) sent me the attached parliamentary question together with the draft reply. As far as Hong Kong is concerned the reply, the notes for the supplementaries and the covering minute are perfectly adequate.

I discussed this with Mr. Mullarky who said that he did not wish to pass the question to Mrs. White.

(L.S. Ross)
18th February 1966.

Mr Mullarly was no doubtinfluenced by 12 fact 12est on 12e face of itthis question does not touch on Hong Kong.
But it does and S 12 int Arx White
will probably wish to see.

L.s Carter 22/2/66

### Mrs. White

You criticised the passage in square pencilled brackets in the second supplementary note to the attached draft Foreign Office P.Q. on the grounds that we ought to take some credit with the Americans for what we have done (and are doing) and not attribute the decline of this traffic to "natural causes".

- 2. I have discussed this with the Foreign Office who say that this approach to the point was deliberate. We are of course fully informing the American Government, in unpublicised exchanges of the action we are taking. But we have not made (and hope to avoid) any public announcement of what we are doing to persuade (we cannot prohibit) our shipping going to North Vietnam on the grounds:-
  - (a) it would excite that body of public opinion in this country which argues against our policy of supporting the Americans on Vietnam;
  - (b) we do not wish to emphasise departures from our normal policy of non-interference with shipping in time of peace.

I think this line makes sense in the case of Hong Kong, for the additional reason that we do not want to rub it into the Chinese that Hong Kong is being brought into line with American policy on Vietnam.

- 3. On the other hand, if we should be tackled about the measures we are taking we will admit that we have taken certain steps. Additional supplementary notes have been added to the attached draft to cover this (the texts are not available to us at the moment). There seems little doubt that at some stage we shall have to take a public stand on this issue, and the Foreign Office realize this.
- 4. Mr. McNamara was recently reported in the newspapers las having said in evidence before the Senate Foreign. Relations Committee that we were bringing pressure to bear on our ships. The chances are, therefore, that a Question about our actions will be put. One was in fact put (but not answered) in a supplementary Question to Mr. Mason, Parliamentary Under-Secretary of the Board of Trade on the 17th February. (Hansard of 17th February, Column 1527, P.Q. No.43). I mentioned this P.Q. to you this morning and you wished to see it.

Ew

(W.S.Carter)

24th February, 1966.

Nr. Pross ben

74 Washington to F.o vel. 680 - nofice3/(71)(69) 75 Washington to 80 - Nel 683 - Nef (74) - 25.2.66 76 Nashing ton to Fo rel 689 - Rel(72) - 25.2.66 77 Hores Kleng (T.A.K. Aliott) when Rel(72) - 25.2.66 78 Nashington to 9.0.1 Saling 40 - Reflex) -25.2.66 79 Ko. afterns whenels - 28.2.61 180 10, Downing Street (5.0, Wright) - Ref (71) - 28, 2.66 H631.3M. Pl. send copy of E79 I+I to Hongkong. Cost. hef 55: Also por

# 8) B/Track (1.5. Russel) 4/ocnys 4/ens -1.3.66. Mr. Conte.

seems jair enough - and whent it might be better is nothing whethere was said I landly whethere was said I landly their that we can abject to this speech.

L- Nanon 1/3.

9 agree. Lise 1/3

I have so informed Dr. Russell by belephore.

gyklin 2/3

Hus! R. pl.

82. To Hong hong - rel. 383 - 1.3.66 H03 The desp C.O.I. werds as put up to Heng Kong, SMJames 3/3/66 Hong Kong - B. Saving 476-Col.

end copy (78) (E79 pends) F 4 MAR 1966 CLOSED no further

SECRET **EASTERN DEPARTMENT** 1966 - 1968 FILE PERIOD PART FILE TITLE 82/961/01, A HONG KONG -FED INTERNATIONAL RELATIONS 82/961/01 WITH NORTH VIETNAM INDEX HEADINGS Internateonal Vietnam Henry Kory H031 m) H Reeg CLOSED 1999 C.O.R. 7.

RELATED FILES:-

63-65 Same Tute Part B

CROSS REFERENCED UNDER:-

Shepping and Ships North Vietnam

RECRUITMENT

STATION

SEAMEN United State of America

## **OUTWARD TELEGRAM**

# FROM THE SECRETARY OF STATE FOR THE COLONIES

# COPY FOR REGISTRATION

TO HONG KONG (Sir D. Trench)

En clair

Sent 1st March, 1966. 23.20 hrs.

PRIORITY No. 383.

Following telegram of 1st March from Foreign Office addressed to Saigon No. 432 and to POLAD Hong Kong (Governor please pass) and POLAD Singapore.

Begins.

Vietnam - British Shipping.

Following is text of Parliamentary Question and Answer, 28th February:-

Lord Balniel asked the Secretary of State for Foreign Affairs what has been the outcome of the talks between Her Majesty's Government and the United States Government about British ships trading with North Vietnam.

The Secretary of State for Foreign Affairs (Mr. Michael Stewart):

Talks have been held from time to time between British and United States officials about ships trading with North Vietnam and these have served to ensure that there is no misunderstanding between us about the true nature and volume of this traffic.

Lord Balniel:

Have the Government made it quite clear that these British ships are under foreign charter and that we have no control over their movements, and have the United States Government used their influence to urge the dockers to withdraw their threatened discrimination against British shipping?

Mr. Stewart:

The last part of the noble Lord's question is a little outside my responsibilities. We have made clear the nature of this trade. Naturally we hope, and I think that the United States Government hope as well, that no boycott will be persisted in.

Ends.

81



With the Compliments

of

Dr. I.S. Russell

BOARD OF TRADE

1.3.66.

Comp/29

FSR.30/8/095.

lat March, 1966.

Dear Mr. Mayhew,

The President of the Chamber of Shipping wishes to make a speech on Friday (I believe in Manchester) in which he intends to make some reference to the long-shoremen's beyoott in the United States. It is, of course, giving rise to great concern among British companies trading with the United States that they should be losing cargoes to shipping companies of other flags because it is suspected, quite unfairly, that those companies may be trading with North Vietnam and that even if they are not themselves trading with North Vietnam, the United Kingdom is doing nothing to stop British flag vessels going there.

I enclose a copy of the statement the President wishes to make. I think it needs a little redrafting and I am sure that the Chamber of Shipping would be grateful for suggestions. On the other hand, this is a matter of concern: I don't think we should try to prevent the Chamber making a statement about what is, after all, a matter of fact. It would be difficult to find any good reason for suppressing their freedom of speech on this matter, and my own view is that it can really do nothing but good if the President of the Chamber of Shipping makes a few firm and reasonable comments.

I should be glad of your comments and those of Miss Pestell and Mr. Ross, to whom I am copying this letter, as quickly as possible. I understand that the President of the Chamber of Shipping has asked to have his completed speech by the end of today and though that is short notice perhaps we could at least get something along to the Chamber tomorrow.

Yours sincerely,

Ina S. Russell

e.C. Mayhew, Esq., American Department, Foreign Office, Room 149 Kins Charles Street, S.W.1.

oc. Miss C. Pestell, South Bast Asia Dept., Foreign Office, Room 102 Downing Street, S.W.1.

Mr. L.S. Ross, Colonial Office, Room 607, Church House, Ct. Smith Street, S.W. 1.

Confidential

EXTRACT FROM SPEECH TO BE GIVEN BY THE PRESIDENT OF THE CHAMBER OF SHIPPING AT THE MANCHESTER SHIPOWNERS' DINNER ON FRIDAY, 4th MARCH, 1966.

This is one example of the sort of attitude which I had in mind.

Another is the extreme line that is being taken by certain interests in the United States about British ships trading with North Vietnam. The British Government have said that they would prefer British ships not to trade there, and the position is quite clear. No British liner company runs a service to that country. None of the British oil companies is shipping oil there, and our latest information is that those of our tramp members whose ships have been trading there have been doing so whilst on time charter, and steps are now being taken either to exclude North Vietnam from such charters, or not to renew on expiry - and all current contracts are believed to expire shortly.

These are the facts and they have been emphasised to the United States Government. Yet, in spite of this we are faced with a lot of publicity given to ships registered in and controlled from Hong Kong - ships which have been blacklisted by the American Government for North Vietnam trading. The owners of these ships are not members of the Chamber, and despite the fact that they fly the British flag there is little that can be done from here about them. But it is a matter of serious concern to us that the extent of our non-participation, and disengagement in that trade should be so misunderstood as it is, to the extent that further threats to hold up British ships, irrespective of whether or not they have traded with North Vietnam, are being made in the U.S. A disturbing side effect is that the mere threat is sufficient to make shippers reluctant to use services which may be delayed.

Mr W.S. Carter Com

RECEIVED PHIVATE OFFICE 23FEB 19666 10, Downing Street,

February 28, 1966.

(1)

The Prime Minister has seen Washington telegram No. 657 of February 23 about shipping to North Vietnam. Mr. Wilson has commented:

"In circumstances of next month we should, I take it, now make no concessions whatsever.

H.W. "

I am sending a copy of this letter to Nicell (Board of Trade), Cumming-Bruce (Colonial Office) and Reid (Cabinet Office).

(SGD.) J.O. WRIGHT

C.M. MacLehose, Esq., C.M.G., M.B.E., Foreign Office.



79

S. Ross, Esq., Colonial Office

# With the compliments of THE SOUTH-EAST ASIA DEPARTMENT



FOREIGN OFFICE, S.W.1.

28 February 1966

Roe'd 21 in. BRITISH EMBASSY. WASHINGTON, D.C. UNCLASSIFIED 14 February, 1966 · 00 (391 44 I enclose a denunciation of free-world shipping to North Vietnam made in the House of Representatives by Representative Chamberlain on Monday 7 February. I need not, I think, bother you with any commentary except to say the lobby on this subject is clearly well informed and documented, and to point out that this particular speech will give you a good idea of the way in which (as I have commented elsewhere) previous arguments on this subject have got home, but in the tougher atmosphere have little effect on the feelings of those who object, so that we stand in need of a few new arguments. 2. I also enclose a copy of a letter which our Shipping Attaché has sent back to the Board of Trade about the first black-list of free-world ships trading to North Vietnam, which therefore may not carry U.S. Government-financed cargoes shipped from the United States until their owners promise not to go to North Vietnam again. Miss C.E. Pestell, Foreign Office, London, S.W.1.

t productivity per man-hour sunk

4. \*\* t productivity per man-hour sunk subsit — dit.\*

5. Prices csh and canned asparagus in greecy s. \*\* skyrocketed and substantially broke the administration's so-called maximum guidelines of 3.2 percent. This penalized the housewife. Nevertheless, you didn't hear the administration make the usual threats of retallatory action which it did with proposed steel, copper, and aluminum price increases. The administration must have had a guilty conscience since it was primarily responsible for the increases. 6. The number of llegal Mexican "wetbacks" who came into the United States completely illegally to obtain temporary farm jobs doubled during the year.

7. In the meantime, the administration repeatedly discriminated against California and in favor of Florida by being more liberal in allowing West Indians to come into Florida to work in harvest fields at rates substantially lower than those it set for California.

#### FREE WORLD SHIPPING TO NORTH VIETNAM

The SPEAKER. Under a previous order of the House, the gentleman from Michigan IMr. Chamberland is recognized for 30 minutes.

(Mr. CHAMBERLAIN asked and was given permission to revise and extend his

remarks.)
Mr. CHAMBERLAIN. Mr. Speaker, Arr. CHAMBERGAIN. Mr. Speaker, having followed for some months the question of free world shipping to North Victnam and reported from time to time to my colleagues, I should like to take this opportunity to present a status report concerning activities during the past

year.

In 1965 there were more free world ships than Communist ships engaged in carrying goods to and from North Vietnam. Unfortunately, I cannot disclose the exact figures of this traffic, because they are classified, but I invite any and every interested Member to examine them closely. I know there are many who are concerned about this phase of the war and already have expressed themselves this session.

Before presenting what information I can about the nature and extension of

Before presenting what information I can about the nature and extension of free world shipping into North Vietnam, I am aware that some may justifiably wonder why any of this information should be classified. It certainly is no secret to Ho Chi Minh. One reason, I am told, is that to reveal such data might place in jeopardy our own sources of information. No one, of course, wishes to hamper our intelligence network. How-ever, I am satisfied that a great deal more ever, I am satisfied that a great deal more of this information can and should be made public. When American boys are dying from North Vietnamese bullets, the American people have a right to adequate information about who is aiding the enemy. As it stands now, and as it stood throughout 1965, the American people simply have not been told the whole truth about the shocking support being given by free world ships to a nation blatantly engaged in Communist aggression and subversion.

The unclassified data that is made available to me by the Department of Defense indicates that while there has been some reduction in the volume of this trade in 1965 over that of 1964, a dis-

turbing amount persists. At this point in the RECORD I ask unanimous consent to include an itemization by month of arrivals of free world ships in North Vietnam during 1965.

The SPEAKER pro tempore (Mr. MINISH). Is there objection to the request of the gentleman from Michigan?

There was no objection.

The matter referred to is as follows:

CHART A.—Free world ships arriving North Vietnam—Continued

#### JANUARY 1965

Name of ship	Flag	Gross ton- nage	Date arrived
Aiolog II. Cardross Kibow River. Golden Zeta Haktiyo Maru. Jinsch. Do. Longford Panagoe. Saronia Saronia Saronia Wakasa Bay.	do do do Japanese British do do do Lebanese Greek British	7, 256 2, 314 5, 170 4, 474 6, 430 1, 261 1, 261 1, 261 2, 865 7, 133 7, 271 7, 229 7, 040	Jan. 20 Jan. 29 Jan. 7 Jan. 9 Jan. 1 Jan. 10 Jan. 17 Jan. 25 Jan. 1 Jan. 28 Jan. 21 Jan. 21 Jan. 21

#### PERRUARY 1965

Bidford	British.	2,865	Feb. 5
Cardamilitis	Greek	7, 163	Feb. 7
Cardrass		2.314	Feb. 15
Dartford		2,730	Feb. 7
Elbow River		5, 179	Feb. 17
Fortune Wind		3, 376	Feb. 15
Jinsan.		1, 261	Feb. 1
		1. 261	Feb. 14
100		1, 261	Feb. 23
120		1, 261	
1)0			Feb. 28
Lampford		2,865	Feb. 23
Meiwa Maru		4, 975	Feb. 15
Newglade		7, 368	Feb. 11
Rechlerd	do	3,324	Feb. 20
Stanwear_+	(10,	8, 103	Feb. 23
Syros	Greek	7, 176	Feb. 7
Wakasa Bay		7,040	Feb. 23
Wishford		3, 464	Feb. 27
	and the second second	1000	Paris and Salar

#### MARCIE 1005

Bidford Cardross Dukat Do Bid	do Norwegian do Brittsh  Dutch British Greek do Dutch British Greek do Dutch Ho British	2,865 2,314 1,401 1,401 5,179 5,031 9,631 2,865 1,953 7,138 1,874 1,874 1,229 7,260	Mar. 4 Mar. 4 Mar. 2 Mar. 15 Mar. 7 Mar. 31 Mar. 27 Mar. 23 Mar. 23 Mar. 25 Mar. 25 Mar. 13

#### APRIL 1965

Santa Granda	Norwegian British Norwegian	1,398 7,229 1,705	
--------------	-----------------------------------	-------------------------	--

#### MAY 1965

Antareties		8, 785	May 2
Cardross		2,313	May May 2
Fortune Wind		3,376	May
Clisna		0,030	Mny
Do	(10	6, 030	May 2
Herborg		3,312 7,232	May 2.
Irena Kawana		7,308	Mny 2
Nancy Dec		6, 547	May 3
Nymfea	Greek	7,276	May
Phoeyes	do	9, 949	May 1
Shirley Christine	British Norwegian	6,724 1,795	May 30
SletfjordYanxilas		10,051	May

Name of ship	Flag	Gross ton- nago	Date arrived
A vistaith Alkon Cardross Helona K yvernitis Newheath Newmont Phoenician Dawn Stroviii	British Greek British Norwegian Greek British do do Greek	7,869 7,160 2,313 2,529 9,360 5,891 7,151 8,708 7,181	June 7 June 6 June 28 June 21 June 1 June 13 June 29 June 13 June 6

#### JULY 1965

Agios Therapon	Greek British	5, 617 7, 139 5, 820 7, 150 3, 376	July 11 July 6 July 20 July — July 6
Herberg Shienfoon Shirley Christine	British	7, 176 3, 321 7, 127 6, 724	July 11 July 5 July 1 Do.

#### AUGUST 1965

Amalia	Maltese	7,304	Aug. 28
Ielena.	Norway	2,529	Aug. 8
ferborg	do	3, 321	Aug. 2
Do	do	3, 321	Aug. 28
Willowpool	British	8,972	Aug. 30

#### SEPTEMBER 1968

Fortune Wind	British	3,376	Sept. 27
Helena	Norwegian	2,529	Sept. 4
Herborg	do	3,321	Sept. 22
Jesselton Bay	British	7,189	Sept. 7
Stanwear		8, 108	Sept. 2

#### OCTOBER 1965

Acme	Cyprus	7, 159	Oct. 16
Ardrossmore	British	5,820	Oct. 14
Bidford		2,865	Oct
Helens		2, 529	Oct. 22
Herborg		3,321	Oct. 15
Kingford	British	2,911	Oct. 19
Santa Granda	do	7, 229	Oct

#### NOVEMBER 1965

Ardressmore	do Norwegian	5,820 2,739 3,376 3,321	Nov. 26 Nov. 17 Nov. 26 Nov. 9
Ho Fung	do	7, 121 8, 650	Nov. 10
Kanaris	British	7, 240 2, 865	Nov. 2
Starford	do	3, 464	Nov. 12

### DECEMBER 1965

Aktor	Cyprus British Greek British	6, 903 7, 105 7, 240 6, 743 7, 040	
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Mr. CHAMBERLAIN. Mr. Speaker, as I reported in the Congressional Record of July 22, 1965, during 1964 a total of 401 free world ships arrived in North Vietnam. According to the unclassified figures there were 119 free world ship arrivals in North Vietnam in 1965. Of this 119 figure 107 involved ships flying the flags of NATO countries.

Mr. Speaker, at this point in the REC-ORD I ask unanimous consent to insert a

hart presenting a monthly breakdown objection to the request of the gentle-by country of world ships arriving in man from Michigan?

North Vietna, tring 1965.

There was no objection. North Victors.

The SPEAKER pro tempore. Is there

The matter referred to is as follows:

CHART B .- Free world ships arriving North Vietnam in 1965

Month	United Kingdom	Japan	Greece	Nor- way	Nether- lands	Leb- anon	Malta	Pan- ama	Oyprus	Total
January February March April May May June June June June June June June June	10 15 6 1 7 5 4 1 4 4 7 3	1	1 2 2 1 4 3 4	2 3 4 1 1 2 2 2 2 1	3	1 1 1	1	1	i	1 1 1 1 1
Total	67	2	19	18	3	5	1	1	3	11

Mr. CHAMBERLAIN, Mr. Speaker, as the monthly unclassified figures are un-doubtedly meant to suggest, some progress has been made in reducing this trade but unfortunately that success is not as marked as the unclassified figures would have us believe. I can tell you that the true figure is more than double what we are being told; and that amounts, as I said before, to more arrivals by free world ships than by Communist ships during 1965.

NONSTRATEGIC GOODS ARE VITAL

Just what is the nature of this trade? First of all it is true that the great majority of these free world ships are under charter to Communist countries—Communist China, Soviet Union, Rumania, East Germany, Cuba and others—that is these free world ships are mostly carrying Communist goods to and from North Vielnam. Some have argued that this somehow removes the foul odor about this traffic. I disagree. Any goods or export profits that Ho Chi Minh needs badly enough to hire free world vessels cannot but help Hanoi's world vessels cannot but help Hanoi's overall war effort. I say we should not concede our enemy one extra spool of thread. Considerably more economic pressure can and should be applied to Hanoi.

Similarly, some in our Government similarly, some in our obstances that no strategic goods have been carried by any of these free world vessels. Again the fragrance of this trade to my way of thinking has not been much sweetened. First of all, although further information may exist with others in our Gov-ernment, the classified reports I receive from the Department of Defense indicate that we do not have complete knowledge as to the nature of these cargoes.

Second, even if free world ships carry only nonstrategic goods they in effect release Communist vessels for the transportation of more war goods. The ulti-mate effect is the same. The seaborne source of the supply lines into Hanoi and down to the South is kept open without down to the South is kept open without hindrance. Did we not recently read of members of a crew of a Cuban freighter who jumped ship when they learned they had been ordered to carry weapons from China to North Vietnam when previously their ship had been engaged in so-called nonstrategic traffic?

Mr. Speaker, the stubborn fact remains—North Vietnam is on all-out war economy. Why should free world ships contribute in any way to such an economy whether by carrying goods to or

omy whether by carrying goods to or from North Victnam? I say so long as there is still one free world ship docking at Halphong we should not relent in our effort to stop this aid and comfort to the

As I indicated earlier some progress has been made toward drying up the enemy's scaborne source of supply. I was grati-fied to learn that a number of govern-ments have taken steps to remove their flag vessels from this trade.

However, even though some countries have apparently removed their vessels from this trade, it does not necessarily mean that goods from these countries do not find their way to North Vietnam. Let us look again at the unclassified information concerning data for just 1 menth. At this point in the RECORD, Mr. Speaker, I wish to insert a chart indicating the origin of cargoes of the five free world ships arriving in North Vietnam during December 1965:

Name	Fing	Cargo origin	North Vietnam port	Date	
Isabel Erien	British British	Belgium Hong Keng Communist China Jopando.	Halphong Port Campha Halphong Port Campha do	Dec. 12 Dec. 11 Dec. 12 Dec. 12	

All five of these free world ships were under charter to Communist Govern-ments. Four of these ships loaded car-goes in free world ports: one in Belgium, one in Hong Kong, and two in Japan. It

is evident, I submit, that what progress has been made in shutting off free world assistance to Hanoi, while encouraging, is still gravely insufficient.

There is another glaring instance of

the need for greater cooperation from our friends. Of the 119 free world ship arrivals in North Vietnam during 1965. 67 were vessels registered under the flar of the United Kingdom. British officials argue that most of these vessels are un-der lease to Hong Kong shipping conder lease to Hong Kong shipping con-cerns and that they are powerless to in-terfere with this traffic in the absence of a formal declaration of war. How-ever correct this explanation may be, it clearly does nothing to ameliorate the situation. I for one am not satisfied that ways could not be found. Obviously the British Government has found ways to shut off trade with Rhodesia. For Instance, any British national who carries or who supplies certain goods to Rhodesia now faces 6 months in prison.or a \$1,400 fine or both. I know of no comparable action taken with those trading with North Vietnam. The British should hardly need reminding that our own flactify need reminding that our own Government has given extensive support to the embargo on Rhodesia in a number of ways. We now, for instance, require special export licenses, which, it is re-ported, the Department of Commerce will not grant in any case, to carry oil and certain other commodities to Rhodesia. It is not my purpose to raise the question of the wisdom of our policy toward Rhodesia, but I would express the hope that in view of what has taken place the British Government would reexamine its policy of "hands off" British-flag vessels trading with North Vietnam.

CUBAN AND NORTH VIETNAMESE TRADE: A DOUBLE STANDARD?

If the attitude of the British Government leaves something to be desired, so does, in my opinion, the attitude of our own Government. It has been the policy and continues to be the policy of the present administration to in effect exempt ships engaged in North Vietnamese trade from the penalties and restrictions imposed upon ships which engage in Cuban trade. Why should we be more considerate of Ho Chi Minh than Castro? My colleagues will no doubt recall the partially successful efforts made in the last session to prohibit funds under the foreign aid program from going to any country whose merchant ships trade with

foreign aid program from going to any country whose merchant ships trade with North Vietnam. What was sought was simply the addition of the words "or to North Vietnam" to the already existing prohibition concerning those who trade with Cuba. By the narrow margin of 174 to 164 the administration succeeded in weakening this prohibition with regard to North Vietnam with a proviso permitting the President, if he determines it in the national interest, to continue foreign aid to countries with flag vessels carrying North Vietnamese trade.

Frankly, I cannot comprehend how it

Frankly, I cannot comprehend how it would be in our national interest to permit in any way free world trade with the Hanoi regime. To date I know of no communication from the President to the Congress indicating that such aid will be continued to any nation whose vessels continue to trade with North Victnam. But neither have we received any indication that any foreign aid funds have been cut off to any such country.

According to the President's report to Congress on the foreign aid assistance

for fiscal year 1965, which, of course, include he first 6 months of calendar 1965. following countries which appear in the above list of ships arriving in North Victnamese ports during 1965 have received, for instance, military assistance alone in these amounts:

The Netherlands	\$1,105,000
Norway	35, 051, 000
Greece	63,061,000
Lebanon.	106,000
Japan	18, 531, 000
Panama	220,000

The figures for fiscal year 1966, I am told, are classified. As I already men-tioned some of these governments have taken steps to withdraw their ships from such trade but there are still countries

who apparently have not.

The concern of Congress over this trade has not been without its effect.

A recent State Department statement revealed:

In making diplomatic representations, the executive branch is mindful of the provisions of the recent amendments to foreign sions of the recent amendments to foreign assistance legislation which call for the denial of economic and military aid to countries that do not take appropriate steps to remove their ships from the North Vietnam trade. We have notified all affected governments of these legislative provisions, and have continued to press them to obtain maximum cooperation from those very few countries still having ships in trade.

The "no trade or no aid" provision enacted last session clearly indicates the positive role congressional action has played in foreign relations. The State Department's hand was obviously substantially strengthened in dealing with these countries as a result of Congress determination last year.

NORTH VIETNAM TRADERS IN U.S. PORTS

Unfortunately there is another way in Unfortunately there is another way in which the policy of the executive branch in effect discriminates in favor of trade in North Vietnam. On February 6, 1963, National Security Action Memorandum No. 222 was issued by the National Security Council, which prohibited any vessel which has a which in Cube in the International Security. which has arrived in Cuba since January 1, 1963, from carrying U.S. Governmentfinanced cargoes from the United States. According to Report No. 66 issued by the Maritime Administration, 244 free world and Polish-flag ships have made a total of 1,024 trips to Cuba from January 1, 1962, through December 13, 1965. None of these 244 ships are permitted to carry U.S. Government-financed cargoes out of U.S. ports. Close examination revealed that 17 free world vessels which have called at North Vietnamese ports in 1965 appear on this so-called Cuban blacklist and therefore are prohibited from carrying U.S. Government-financed cargoes, not because of their trade with North Victnam, but because they have also called at Cuban ports. At this point in the Reconn, Mr. Speaker, I ask unanimous consent to include a chart giving the names of these 17 ships.

The SPEAKER pro tempore. Is there

objection to the request of the gentleman from Michigan?

There was no objection.

The matter referred to is as follows:

CHART C.—Free world ships prohibited from carrying U.S. Government financed eargoes because of trade with Cuba which called at North Victnamese ports in 1965

Name of ship	Flag	Ciross tonnage	Date arrived
Amalia		7, 304 8, 785 7, 809 7, 121 8, 650 6, 547 7, 368 7, 151 8, 708 7, 229	Aue. 28 May 21 June 7 Nov. 10 Nov. 12 May 31 Feb: 11 June 20 June 13 June 21 Mar. 27 Apr. 27
Shienfoon	do	7, 127 8, 108	Oct. — July 1 Feb. 23
Aiolos II. Paringos San Spyriden. Agios Therapon. Actue.	Lehanesodododo	7, 256 7, 133 7, 260 5, 617 7, 159	Sept. 23 Jan. 26 Jan. 28 Mar. 13 July 11 Oct. 16

Mr. CHAMBERLAIN. Mr. Speaker, these 17 ships could carry U.S. Govern-ment-financed cargoes except for the fact that they had been in Cuba. There is in fact an example of a vessel which was in North Victuam on January 25, 1955, which, under charter to the Government of India, loaded at Port Arthur, Tex., on July 21, 1965, a food-for-peace cargo of 10,210 long tons of wheat bound for India as authorized under title I, Public Law 480. This vessel, the Greek flag ship, Saronis, could not have been hired to carry such a cargo had it ever been in Cuba in the last 3 years. No one, of course, wants to impede the flow of food to a hungry people. This is not necessary, but what is necessary, as I view it, is that the policy of our Government should not be one of awarding public business to vessels which have carried goods for our enemy.

I feel very strongly that we should, moreover, prohibit ships which trade with North Vietnam from not only carrying Government-financed cargoes but from doing any business at all in U.S. ports. I have joined in sponsoring legis-lation to that effect and I urge my colleagues to consider doing the same. The reason for this is made plain by the fact that this same Greek vessel, Saronis, was again in a U.S. port, Newport News, Va., on December 21, 1965, when it sailed with a cargo of coal bound for Brazil, Mr. Speaker, I ask unanimous consent that a copy of my bill, H.R. 9946, be

placed in the Record immediately fol-

lowing my remarks.
The SPEAKER pro tempore. Is there objection to the request of the gentle-man from Michigan?

There was no objection.
The matter referred to is as follows: H.R. 9946

H.R. 9946

A bill to amend the Merchant Marine Act, 1920, to prohibit transportation of articles to or from the United States aboard certain foreign vessels, and for other purposes. Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 27 of the Merchant Marine Act, 1920 (48 U.S.C. 883), Is amended by Inserting "(a)" immediately after "Sec. 27." and by adding at the end thereof the following new subsections:

subsections:

"(b) No article shall be transported in commerce aboard vessels of any foreign shipping interest which allows vessels owned or controlled by such interests to be used, on after the date of enactment of this subsection, in trade with Communist-dominated North, Victory.

or after the date of enactment of this subsection, in trade with Communist-dominated North Vietnam.

"(c) As used in subsection (b) of this section, the term 'commerce' means commerce between a point in any State or possession of the United States (including the District of Columbia and the Commonwealth of Puerto Rico) and any point outside thereof or between points in the same State or possession of the United States (including the District of Columbia and the Commonwealth of Puerto Rico) through any point outside thereof.

"(d) As used in subsection (b) of this section, the term 'shipping interest' means any individual, company, or group of companies which has any ownership interest in any ship engaged in such trade.

"(e) As used in subsection (b) of this section, the term 'controlled' means control of movements of a vessel by virtue of ownership interests; agency agreements; charter hire; or otherwise.

"(f) Whoever willfully violates subsection (b) of this section shall be fined not more than \$10,000 or imprisoned not more than one year, or both.
"(g) The President shall issue such regulations as he may deem necessary to carry out the provisions of subsection (b) of this

lations as he may deem necessary to carry out the provisions of subsection (b) of this section."

Mr. CHAMBERLAIN. Mr. Speaker, at this point I wish to insert a list of free world ships which have called at U.S. ports after having been in North Vietnam during 1965.

The SPEAKER pro tempore. Is there

objection to the request of the gentle-man from Michigan?

There was no objection.
The matter referred to is as follows:

CHART D .- Free world ships in North Vietnamese and United States ports

Name	Fing	Gross tonnage	In North Vietnam	In United States
Hellas	Greek	7, 176	June 1, 1964 July 11, 1964 Oct. 9, 1964 Oct. 29, 1964	Mar. 10, 1965, New York, 7,655 long tons of bulk stee scrap for United Arab Republic,
Hollands Diep	Dutch	9, 631	July 11, 1965 Mar. 31, 1965	June 23, 1965, San Francisco-Oakland. Loaded 13,00 long tons of petroleum coke for Japan. Aug. 19, 1965, Stockton, Calif. Loaded 11,000 fon tons of safflower seed for Japan.
Saronis,	Grook	7, 271	Jan. 25, 1965	tons of samower seed for Japan. July 20, 1905, Port Arthur, Tex. Loaded 10,210 lon- tons of wheat for India (food for peace, title i, Publi Law 480). Dec. 21, 1995, Newport News, Va. Loaded coal fo Brazil.

Mr. CHAMT AIN. Mr. Speaker, at least two immethere appears . ) at least two immediate courses of action open which can clearly set the record straight with regard to our Government's attitude with regard to free world ships in North Vietnam. First, the executive branch possesses the outberfut to establish as there appears nam. First, the executive intain pos-sesses the authority to establish a so-called black list with respect to North Victnam as now exists with respect to Cuban trade. This, as I pointed out, would affect only Government-financed

It is worth noting that the require-ment was also established that in order for a ship to be removed from the so-called Cuban "black list," It is necessary for its owners to pledge that none of the other vessels it controls will engage in other vessels it controls will engage in the future in Cuban trade. Secondly, Congress, I believe should broaden this prohibition to include all business in U.S. ports both public and private not only with respect to specific vessels which have been in North Victnamese ports but with respect to the vessels of any shipping interest which allows any one of its ships to profit from trade with the Hand regime.

Hanoi regime.
These two courses of action may not these two courses of tection may have sufficient to completely put a stop to free world traffic in North Vietnam. Other steps may be necessary such as the mining or blockading of the harbors. Nevertheless these two courses of action would serve to make clear what in the past has been unclear; to give Ho Chi Minh unequivocal notice of our determination not to support or tolerate in any fashion any form of free world assistance which contributes to his policy of aggression and subversion.

In the face of the totally negative response to recent efforts to bring the conflict to the conference table, we can only aversize that the Alped regime continues.

surmise that the Hanoi regime continues to believe that the United States will eventually grow weary under the condi-tions of a long, limited struggle; and that a Communist victory in South Vict-nam is nossible. nam is possible.

nam is possible.

It seems to me that by failing to eliminate all forms of aid and comfort from the free world to North Vietnam we have presented to Ho Chi Minh an obviously contradictory position which, I believe, can and has contributed to Hanoi's rapid can and has contributed to hands staple escalation of the war in the expectation of total victory. Until our Government takes a clearer public stand with regard to such free world assistance, our efforts to convince the Hanoi regime of American determination to resist the spread of communism cannot help but be damaged.
Mr. HOSMER. Mr. Speaker, will the

mr. CHAMBERLAIN. Yes, I yield briefly to the gentleman from California.

briefly to the gentleman from California.

Mr. HOSMER. Mr. Speaker, on this classification question I just wonder why the North Victnamese know what ships are going to Haiphong, I wonder why the Chinese know what ships are going to Haiphong, and I wonder why the Soviet Union knows what ships are going to Haiphong and why the American people should not know what ships are going into Haiphong. into Halphong.

Mr. CHAMBERLAIN. I cannot answer the gentleman's question, but I ap-

preciate him raising it again. I mentioned earlier in my remarks that I saw no reason for this classification and that no reason for this classification and that the administration is not telling the citizens of our country the whole truth. I believe it is well that this information should be made available. I appreciate the gentleman underscoring my point. Mr. CONTE. Mr. Speaker, will the gentleman yield?

Mr. CHAMBERLAIN. I am happy to yield to my distinguished colleague from

Massachusetts.
Mr. CONTE. Mr. Speaker, I would like to take this opportunity to congratu-late my colleague from Michigan for his late my colleague from Michigan for his concise and very objective presentation here today on a very serious matter. I have joined with him several years now in an effort to prevent foreign aid to our allies who are shipping goods and using their ships to bring goods to North Vietnam. I cannot understand for the life of me how countries like the United Kingdom, which I understand from the gentleman's presentation here today is one of the biggest users of their ships to bring goods into North Vietnam, can continue doing this in view of the fact that

bring goods into North Victnam, can con-tinue doing this in view of the fact that we have been such great friends of the United Kingdom.

We were the first country to come to their aid when they ran into difficulty with Rhodesia. We immediately broke off relationships with Rhodesia. We immediately stopped brings goods into Rhodesia because of the difficulties that

the United Kingdom was having there.

I cannot understand for the life of me why a country like Greece continues to bring goods into North Victnam. If it was not for the Truman plan and our foreign aid, Greece would have fallen into

Communist hands many years ago.
We have been a great ally of the
Greeks down through the years. We
have helped them tremendously with billions of dollars of foreign aid. Yet they persist in bringing goods into North Vietnam, knowing that these goods will be used against our soldiers over there in the conflict at the present time.

I think that the gentleman's crusade and the arguments that he has presented

here on the floor, time and time again, have done much to stop many of these countries from continuing this practice. I am pleased to report to him the evidence, as it has been brought before my dence, as it has been brought before my committee, indicates that the Greek Government is presenting a bill before its Parliament to pass a resolution to stop the ships from going to North Viet-

mr. CHAMBERLAIN. I would like to thank the gentleman for his generous remarks, and I would also like to take this occasion to acknowledge the invaluable assistance that he has been during this past year in helping to amend the foreign aid bill, to put some limitations on this problem, some teeth into it.

This is something that is going to require the combined effort of all of us here on both sides of the aisle, and my colleague from Massachusetts has been throughly here. an invaluable help. I look forward to his assistance in the future.

Mr. CONTE. I thank the gentleman

THE SERIOUS JOHNSON-MCNAMARA MISCALCULATION CONCERNING NORTH VIETNAMESE AIR STRIKE TARGETS AND WHAT TO DO ABOUT IT

The SPEAKER pro tempore (Mr. Min-ISH). Under a previous order of the House, the gentleman from California LMr. Hosmenl, is recognized for 25 min-

Mr. HOSMER. Mr. Speaker, last Monday I mentioned to the House two significant failures in the management of the war. These were: First, the failure of our bombing of North Victnamese targets during the period from February through most of December 1965, to accomplish either the objective of slowing down infiltration of North Victnamese military units to the south, or the objective of raising to Hanol the price for its aggressions to an amount it is unwilling to pay for continuing them; and second, the failure of the 5 week and 2 day bombing respite to lure Ho Chi Minh anywhere near a negotiating table. Mr. HOSMER. Mr. Speaker, last Mon-

ing respite to lure Ho Chi Minh anywhere near a negotiating table.

The responsibility for these failures cannot be placed on U.S. military commanders. They are not running the war. It is being run by civilians in Washington, principally President Johnson and Secretary McNamara and their semi-anonymous advisers, most of whom also are civilians untrained to run a war.

At acting over North Victorian now has

are civilians untrained to run a war.

Air action over North Vietnam now has resumed. It is the duty of these people frankly to admit that their past choice of ammunition—TNT bombs—and severe limitation on targets just did not produce appreciable results. These Washington war managers seriously miscalculated. They should not perpetuate their mistake. It is likely only to bring renewed frustration. Instead they should give intelligent thought to the discovery of what additional or alternate targets give intelligent thought to the discovery of what additional or alternate targets could be more meaningful to the North Vietnamese and apply some creative imagination to determine what ammunition will best damage them. Last Monday I predicted that "both the targets and the ammunition may turn out to be write unconventional."

quite unconventional."

The prediction was based on the fact The prediction was based on the fact that North Vietnam is a backward, underdeveloped country with a primitive "rice and fish" economy. Unlike the Germany of World War II it cannot be bombed to submission by blowing to fragments a complex, highly integrated industrial economy. Those who place so much stress on "bombing Hanoi and Haiphong to win the war" largely fail to see this distinction. Similarly, North Vietnam's transportation is so primitive it is little wonder that despite United States bombing of roads and rails the infiltration rate of men and supplies from north to south has increased manyfold. Bomb damage easily had been sidestepped by a simple switch in North Vietnamese freightloading practices—from wheels to the backs of men. My prediction of unconventional tar-

My prediction of unconventional tar-gets and unconventional ammunition also was based on the fact that "the cul-tural level of North Victnam is undoubt-edly one of the lowest imaginable. Eighty percent of the population is il-

literate, igi at to an incredible degree, and subjecand subject the most extraordinary superstitions."—Statement in 1962 by superstitions,"—Statement in 1962 by the leftist French historian Gerard Tongas who lived many years in Hanoi until 1960. Some rather interesting and possibly very effective alternatives to our present kind of air strikes in the north open up if we recognize it as "a land where gods, devils, and animistic spirits of inanimate objects are subliminal neighbors during daylight and lurk almost tangibly among the darker patches of night"—American Security Company of night"—American Security Council Washington Report, August 31, 1965. These alternatives—which obviously fall into the category of psychological warfare-involve no killing, no maining, no physical destruction. In terms of violence they will descalate rather than escalate the war. But in terms of results they well may be decisive.

Raising the price to Hanoi for continuing its aggressions to the prohibitive level by psywar tactics requires actions to create enough misery, anxiety, wretch-edness and distress in the minds of the North Victnamese people to induce an intense general annoyance with the war. Even a Communist dictatorship cannot long pursue policies so unpopular they long pursue policies so unpopular they bring into being sweeping national disorganization, disturbance, and discontent. Considering the cultural level of the population and its fearful awe of superstitious omens, the task of depopularizing Ho Chi Minh's policy of aggression should be well within the capability of American incomplete. of American ingenuity.

The few examples of many possible actions along these lines which I am about to cite are for illustrative purposes and need not be taken as specific recomand need not be taken as specific recom-mendations before they are determined to meet all the requirements of psycho-logical warfare operations. They are based on a study of North Victnamese customs and superstitions made for me by the Library of Congress

Example: North Vietnam's Red River Delta is the nation's rice bowl. Flooding is controlled by damming upstream and subsequent release of water to rice paddies. Bombing the dams has been rejected because a flood would drown thousands and many more would perish later by starvation from loss of the rice crop. As a nonexplosive alternative many tons of harmless soluble dye might be dropped upstream. A single B-52 is capable of delivering in excess of 27 tons of dye. Consider adding an ingredient which also is harmless but creates an obnoxiously offensive odor. The dye and the odor will be picked up by the growing

North Vietnamese eat rice every day at every meal. The need to eat this kind of unsightly, unappetizing but harmless and nutritious mess day after day after day could become a dear price to pay for Hanoi's transgressions. It also will de-prive the North of its principal export commodity helping to pay the cost of the

During their campaigns in East Java in 1946 and 1947 the Dutch dropped harmless soluble dyes in rice paddies. It

caused panic among the native people who believed it to be a manifestation of divine wrath. Effort should be made to assure that a portion of the country's rice crop remains normal. This will generate black market woes and instant hostility toward any government official who attempts to allocate palatable rice, or to collect it for export. Example: Along with their superstiti-ous nature the people of Victnam, North

and South, have a long, deep-rooted dis-like for the Chinese. These facts of their life should be exploited to the fullest, for instance:

To an oriental there is nothing lower than a running dog. Cheap plastic toy models of Ho Chi Minh and Mao Tsc-

tung joined in the shape of running dogs could be airdropped in large quantity. In Victnam the acc of spades is con-sidered as deadly an omen as it is in Sielly. Hundreds of thousands of plastic ace of spades playing cards could be dropped throughout the country. Pictures of the two above-mentioned culprits might also be added to the cards.

Seeing a woman on first leaving one's seeing a woman on his leaving one's dwelling in the morning is a certain sign in Vietnam the day will be one of misfortune, therefore rain plastic models of women from the sky during the night to be found as a morning greeting.

On heaving an owl key "thytee in the

On hearing an owl cry "thrice in the night" North Victnamese flatly expect death in the immediate family. The ex-perience generally results in the strongest sense of dread. Cheap air drop devices which simulate three hoots of an

owl should be easy to design.

Except for the owl device all bad-luck air drop items should be constructed to make a distinctive, audible sound as they fall through the air to add the distress fall through the air to add the distress of an advance harbinger that bad luck is on its way. The use of plastic for these objectionable symbols rather than paper is desirable because they are just that much harder to get rid of. Air drops of good-luck symbols bearing identification with the Republic of South Vietnam should occasionally be made both for the obvious reason and because they might induce a Paylovian reaction. It is to be induce a Paylovian reaction. It is to be recalled that the Russian psychologist, Paylov, induced in dogs a state of total disorganization by alternating acts of illusage and kindness. Although airdrop items only have been used as illustrations here, radio and all other media, of course, play a role in the conduct of psychologi-cal war.

cal war.

Cutting down the infiltration rate also should be examined in terms of the examples just given. The routes used, loosely described as the Ho Chi Minh Trail, have their beginnings in North Victnam, traverse several areas of Laos and Cambodia and have multiple entrance points into South Victnam. Much of the trail is screened by dense tropical. forests making ground movement very difficult to detect. A high proportion of the bombs we drop along it blow up trees and bushes instead of Victoong and their supplies. It is clear that the more super-stitious dread we can cause the enemy to ssociate with this communication line, the more difficult will be his progress

Example: On hillsides visible while marching southward defoliate the shape of the unlucky ace of spades.

Example: Skywrite this and other omens of misfortune and death when Victoria are estimated to be in locations will see their will see their states.

tions where they will see them.

Example: Spike the Ho Chi Minh trail Example: Spike the Ho Chi Minh trail with various devices emitting sounds, odors, or other manifestations of doom, death, or displeasure on the part of the spirit world with the goings on. Sowing by air of chemically treated seeds which grow rapidly into bizarre and ominous plant forms should be investigated.

In closing I have a few words for so-called defense intellectuals and assorted sophisticates who will deride and ridicule these surgestions. In war it is as dan-

these suggestions. In war it is as dangerous to overestimate your enemy as it is to underestimate him. If we are going to continue these air operations over North Vietnam which are costly in airmen's lives and aircraft, then we had better take another tack and start getting some effectiveness out of them more equivalent to their cost. This is not a conventional war; it is an unconventional war. Some, but not all, of the strategy and tactles of conventional war can be adapted to unconventional war.

Primarily, an unconventional war requires unconventional strategy and tactics. Psychological warfare is as old as mankind: the assault on the mind is as ancient as the roared battle cry, as his-torically familiar as the rebel yell, and as modern as the sophisticated techniques of World War II. Its possibilities today are manifold for defeating war of libera-

tion strategy and guerrilla tactics.

Lastly, I have a word for the wiseacres who think they are being cute by shooting supposedly funny wisecracks from the hip whenever their pseudointellectualism is exposed to an idea they are incapable of understanding and comprehending.

Let them recall that the Vietnam roll of dead and maimed Americans grows longer every day. Instead of trying to be funny, they should themselves be trying to figure out ways to speed the war's successful conclusion. And, in the unlikely event they happen to come up with an idea, even if it is an unconventional one, they should have the guts to get up and suggest it.

#### PROBE FEDERAL JUDICIARY

The SPEAKER pro tempore. Under previous orders of the House, the gentleman from Iowa [Mr, Gross] is recognized for 15 minutes.

Mr. GROSS. Mr. Speaker, the efforts of the courts to oust Federal Judge Stephen Chandler, of Oklahoma, raises serious questions that should be the subject of an immediate congressional investigation. In the first place, this is vestigation. In the first place, this is clearly an invasion of the rights of the Congress, for it is only the Congress that has the constitutional authority to remove a Federal judge by impeachment

If Judge Chandler is to be impeached, it should be done by the Congress, and only after a full investigation of all the facts surrounding the action by the circuit court of appeals. I believe that this is particularly important in the light of

Thu. Silmore. CONFIDENTIAL British Embassy Rof. 2/23/66 Washington, D.C. S.M. 26805 14 February, 1966 British shins and North Victor Hong Kong telegram no. 87 to the Colonial Office reported that the US government were going to institute a blacklist of free-world ships trading to North Vietnam similar to that for Cuba. (We were informed at the time that you were going to be told of this on 28 January, so we did not report it then.) I attach/extract from CIB 29 of 11 February which announces the first list. None of the British flag vessels is new to us in this connection. The conditions quoted under which vessels on the list may be removed from it correspond exactly with those I understand that the list was published in the Federal Register of 12 February, but I have not yet seen a copy of this. We shall be sending you press cuttings, from which you will see that the announcement has not attracted much attention. The US administration do not appear to have intended that it should. We have seen no mention of a restriction on bunkering corresponding to that applied in the case of Cuba. Like the blacklist itself, however, it would have very little practical

(Sgd.) I H P. DRAPER.

J. H. P. Draper

Dr. I. S. Russell, O.B.E. Board of Trade (Shipping) LONDON S.W.1.

/cc Mr. Gilmore

& although Mrs. Bentley in Hoday's Ballimare Sum is a bit some about it, as she has been about this about subject hithertos.

CONFIDENTIAL

70.29 1/2/66 --- 2/23 decision by Mich have called at north vietnam since January 25, 1966 listed by M

The first list of Free World and Polish-flag vessels which arrived at ports in North Vietnam on or after January 25, 1966 has been announced by NICHOLAS JOHNSON, Maritime Administrator. The listing is in line with a new Presidential policy which denies U.S. Government-financed cargoes shipped from the United States to foreign-flag vessels which have made such calls.

MA listed five foreign-flag vessels which arrived at North Vietnam on or after January 25, 1966, based on information received through February 10, 1966.

The five vessels, which aggregated 35,263 gross tons, included three British-flag vessels: SHINENFOON, of 7,127 gross tons; SHIRLEY CHRISTINE, of 6,724 gross tons; and WAKASA BAY, of 7,044 gross tons. One Cypriot-flag vessel, the AMON, of 7,229 gross tons, was listed, and one Greek-flag vessel, the AGENOR, of 7,139 gross tons.

Vessels which called at North Vietnam on or after January 25, 1966, may reacquire eligibility to carry U.S. Government-financed cargoes shipped from the United States if the persons who control the vessels give satisfactory certification and assurance that (a) such vessels will not, thenceforth, be employed in the North Vietnam trade so long as it remains the policy of the U.S. Government to discourage such trade; (b) no vessels under their control will thenceforth be employed in the North Vietnam trade, except as provided in paragraph (c); and (c) vessels under their control which are covered by contractual obligations, including charters, entered into prior to January 25, 1966, requiring their employment in the North Vietnam trade shall be withdrawn from such trade at the earliest opportunity consistent with such contractual obligations.

A similar policy, relating to vessels which call at Cuba, has been in effect since January 1, 1963. There were 13 ships on the first MA list of Free World vessels calling at Cuba. The most recent MA Cuba list shows 246 ships of all flags, with an aggregate of 1,732,740 gross tons, which have called at the island since January 1, 1963.

WASHINGTON, D.C.

18 February, 1966

Dear Catherine po ov 139 + (4.4(A)

# British Shipping to North Vietnam

You will have even from the enclosure to my letter of 14 February that the publication of the first "black list" of free-world ships calling at North Vietnemese ports was deliberately played down by the Administration. It was nevertheless played up by the lobby against us in Congress (extracts enclosed), and Representative Faul Rogers was also prompted to say that the "black list" was not enough and that U.S. Government cargoes should be denied to all ships of all nations which have permitted any of their ships to trade with North Vietnam. On the whole, however, this cry Was not been taken up loudly (for instance in the more influential newspapers).

- 2. Colonel Cowherd in the State Department told me a couple of days ago that he felt sure Congressman Fino's reference to PCL shipments was "just fishing"; but if there is any bluffing in it we are unfortunately in no position to call it.
- I am sending a copy of this letter to Elliott in Hong Kong.

(B. T. Gilmore)

Miss C.E. Pestell, Foreign Office, London, S.W.l.

ER. Is there objection to SPE' f the gentleman from the reque o objection. There W

DESIGNATION OF MRS. MINK TO READ WASHINGTON'S FAREWELL ADDRESS

The SPEAKER. Pursuant to the special order agreed to today, the Chair designates the gentlewoman from Hawaii IMrs. MINK! to read Washington's Farewell Address immediately following the approval of the Journal on February 22, 1966.

#### THE PROBLEM OF FREE WORLD SHIPPING TO NORTH VIETNAM

(Mr. CHAMBERLAIN asked and was given permission to address the House for minute.)

1 minue;)
Mr. CHAMBERLAIN. Mr. Speaker,
1 week ago I spoke in this Chamber on
the problem of free world shipping to
North Victuan and what I felt could North Virtual that while I to come and should be done about it. Among other things I suggested that we establish a blacklist of these ships which would prohibit them from carrying U.S. would prohibit them from carrying U.S. Government-financed cargoes. Such a blacklist has existed for 3 years with respect to those trading with Cuba. I am gratified to be able to acknowledge that late last week I was informed by the State Department, in a response to my letter of February 4 urging the President letter of February 4 uring alle Presents to take such action, that such a blacklist has been approved. The details of this Presidential order are found in the Federal Register of Saturday, February 12, 1966, on page 2706.

In my opinion, such action is overdue since our official policy too long has maintained a double standard of exempting those who trade with Ho Chi Minh ing those wind trade with ho chair shall from the penalties imposed on those who trade with Castro. In no way should the Hanol regime be led to think we consider trade with them in any sense less detrimental to our national interest than trade with Cuba.

This action is a step in the right di-rection and I shall continue to press for the enactment of legislation prohibiting free world ships that aid Hanoi from Iree world ships that ald Hanol from doing any business whatsoever in U.S. ports—public or private—and to insure that no U.S. ald goes to any country that allow its ships to help supply North Vietnam's war economy. We have tolerated this ald and comfort to Ho Chi Minh far too long. too long.

THE PROBLEM OF FREE WORLD SHIPPING TO NORTH VIETNAM: WHAT ARE WE GOING TO DO ABOUT IT?

(Mr. DICKINSON asked and was given permission to address the House for 1 minute and to revise and extend his re-

Mr. DICKINSON. Mr. Speaker, various occasions, I have called upon this administration to bring an end to the shipment on their ships by our allies of goods for our enemies in North Vietnam. I made speeches from this rostrum of the House calling for an end to free world

shipping to North Vietnam by any means necessary: Specifically, I did so on January 12, January 19, January 26, and February 2.

In the hearings of the Senate Foreign Relations Committee a week ago, it was said that the British could effect an was said that the British could elect an embargo on Rhodesia with our over-eager help in 48 hours. Yet we have been unable to get their support in cutting off the supply of the Victorius by sea. After many months of effort, Britain is still the No. 1 violator among the free world na-

On December 21, I telegraphed the On December 21, I telegraphed an President urging action on this and, to this date, I have received nothing more than an acknowledgment from the White

Now, finally, the administration has stuck out its chest and announced that, as of January 25—25 days after my telegram—it was blacklisting any vessel shipping goods into, or out of, the North

Vietnam port of Haiphong. Mr. Speaker, I applaud this action.

However, it seems to raise this question. We have been fighting in Vietnam since mid-1962. We have suffered 2,005 dead and 9,658 wounded through February 1962. ruary 7, 1966, and spent almost uncountable billions.

able billions.
Why, Mr. Speaker, are we just starting to blacklist these ships? Either it should have been done 3 years ago or this is a bilind to avoid effective action,

diplomatic or naval.

It simply boils down to this. listing is not effective, why bother with it at all. If it is effective, why did we not do it in 1962 or 1963 instead of waiting until 1 week ago.

Mr. Speaker, I suggest that the American fighting men in Victnam have a right to know the answer to this question. 'Sp do the American people.

One further question: Is this all we are going to do about free world shipping to North Vietnam?

#### THE QUESTIONS THAT PATRIOTS SHOULD ASK

(Mr. TALCOTT asked and was given permission to address the House for 1 minute, to revise and extend his remarks, and to include extraneous mat-

Mr. TALCOTT. Mr. Speaker, we are at war in Vietnam. It is a war none of us wanted and a war we want to end honorably as quickly as possible.

Every good citizen would like to support his President. Every citizen wants the President, the executive branch, the Defense Department, the generals, to be

In order to find the correct solutions as quickly as possible, we need open debate and deliberation.

Secret decisions, managed news, "pat" answers, summary dismissal of inquiries, refusals to respond to proper questions do not supply the right answers, or fortify the confidence of the U.S. fightingman, or the public.

Every patriot can support his country and yet ask pertinent questions at the

one of the most knowledgeable patriots in my district—with practical mili-

tary experience and firsthand experience in Chinese and southeast Asian af-fairs—Col. Allen Griffin, asks a number fairs—Col. Alien Grillin, asks a number of questions, editorially, in the Monterey, Calif., Peninsula Herald newspaper.

Each Member of Congress, as well as the President and his advisers, ought to

ponder these questions

The full text of the editorial by Colonel Griffin follows:
THE QUESTIONS THAT PATRIOTS SHOULD ASK

The Questions That Patriots Shouls Ask The pursuit of the war in Victnam has been a demonstration of a series of wrong "estimates of the situation."

This is a term that is used by military people, usually preliminary to a decision to move, to remain in place, go backwards, or what have you. It is a term particularly of military intelligence. Nearly everything that is involved in the strength and weaknesses of the enemy is comprehended within the "estimate of the situation."

And, of course, the enemy also is making his estimate of the elements of strength and weakness in your situation local, regional, global.

global.

President Charles de Gaulle gave the late
President John F. Kennedy his estimate of
the attantion in Victuam ind suggested that
the United States begin a process of seeking

the United States begin a process of seeking peace immediately.

The late President was not convinced by General de Gaulle's estimate and decided, contrariwise, to become more involved. That was the tragic beginning of escalation—the beginning of an infantry war of Americans against Asians on Asian land among Asian people, the last thing the U.S. Army evenued to be engaged in again after Korea. Up to this time this wasn't a war in which U.S. ground forces were engaged, but one in which U.S. materiel backed by a handful of advisors was sent to the assistance of a friendly government. Now by degrees it became our war. Escalation by manpower became a fact.

came a fact.

When President Lyndon Johnson took the

came a fact.

When President Lyndon Johnson took the oath of office he inherited a war as well as a vast, scattered domestic program.

Determined to do everything better and faster than his predecessor, he was psychologically prepared to provide the force necessary to push this war to an early conclusion. After all, it was a war against the spread of communism, which was and is further justification.

Surely his advisers gave him an estimate of the situation. That called for escalation. It didn't work very well. Then came a further estimate/and a further escalation. That also fell short. And so on until nearly 200,000 American troops became hostages to this war, aid North Vietnam came under continuous bombing attack except in the immediate vicinity of the capital city, Hanol, and the most important seaport, Haiphong. Then again, aurely operating under an estimate of the situation, the time was deemed ripe for a peace offensive. That estimate could not have been on anything other than the possibility of bringing the war to a peace table. Woong again, it didn't work.

table. Wrong again. It didn't work:

Now we have returned to bombing. Where
do we go from here? How much of a land
war of Americans against Asians are we
going to threw our Army into? And where
do we go from there? These are legitimate
questions for congressional debate. And
they are legitimate questions for the debate
of patrictic citizens. of patriotic citizens.

NATIONAL CAPITAL TRANSPORTA-TION AGENCY—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER laid before the House the following message from the President the United States, which was read



# INWARD SAVING TELEGRAM FROM WASHINGTON TO FOREIGN OFFICE

By Bag

DEPARTMENTAL DISTRIBUTION

Sir P. Dean

No. 40 Saving 25 February, 1966 R. 27 February, 1966

(62)

Shipping to North Viet Nam.

My telegram No. 610 of 18 February.

Following is full text (not previously available in Washington) of statement by Maritime Trades Department of AFL-CIO.

"While America is engaged in a military effort in Viet Nam, and while it is still keenly concerned with developments at our doorstep in Cuba, foreign-flag vessels - including many from the NATO countries on which the Defense Department has claimed we can rely - have been profiting from carrying American cargoes while at the same time trading with the enemies of democracy.

A number of measures have been introduced in the Congress, calling for punitive actions against these vessels, including the banning of them from United States ports, but the State Department has steadfastly refused to lend its support to any of these bills.

On the contrary, during recent hearings on a measure to ban from United States ports foreign-flag vessels which have been carrying supplies to North Viet Nam, the State Department flatly opposed passage of this measure.

The Maritime Trades Department calls upon the State Department to recognize and officially acknowledge the manner in which these foreign-flag vessels have been profiting from their dual role, and to support the legislative efforts now being made to curb the activities of these foreign-flag marauders.

However, the legislative process is slow and sometimes ineffective. The State Department and other Government agencies have been known in the past to "waive" requirements of law to the point of nullifying the will of Congress and the will of the American people.

This is what happened two years ago with respect to wheat shipments to Soviet russia. At that time the Maritime Trades Department, with the superb cooperation of the International Longshoremen's Association, took really effective action. We announced a boycott on such shipments and as a result no wheat was loaded or shipped to Soviet Russia until our objections were met and the boycott lifted.

We now propose to invoke a boycott against ships of any and all foreign-nations which have traded and are still trading with North Viet Nam.

Toward this end, the following telegram has been sent to President Johnson by three maritime unions:

Continuing trade with North Viet Nam by the ships of supposedly friendly nations has been a matter of grave concern to the membership of our unions. The recent decision to bar ships which engage in such trade from participating in United States foreign aid program is a slap on the wrist which will in no way deter foreign ship owners or their governments and will not curtail the assistance which the North

#### Washington telegram No. 40 Saving to Foreign Office

- 9 -

North Vietnamese receive from them. We believe the time for pussy-footing is long past. Our boys are fighting and dying along with the loyal South Vietnamese forces and those of our other allies. Trade with North Viet Nam puts blood money in the pocket of ship owners and other profiteers in so-called allied nations. We express the sentiments of the seamen and longshoremen who comprise our unions and the other maritime unions, when we say that such aid to the nations which are engaged in aggression against the South Vietnamese people and against the United States and allied troops must be met by firm, direct and uncompromising action by our country. In any case, American seamen and longshoremen are determined to take action to discourage the flow of supplies which strengthens North Viet Nam and their puppets in the Viet Cong in their aggression and thus enlarges the threat to world peace. We must inform you therefore, very soon our members will begin to demonstrate their protest on all waterfronts in this country directed against any and all ships of those nations which permit trade with North Viet Nam.'"

- 2. The union's telegram to President Johnson was signed by Gleason (I.L.A.), Curran (N.M.U.) and Hall (S.I.U.) and copies were sent to the Secretaries of State, Commerce and Labor.
- 3. Foreign Office please pass to Brigstocke, Board of Trade. [Copies passed to Board of Trade].

DISTRIBUTED TO:
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General Dept.
News Dept.
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F.E.P.D.

General and Migration Dept. News Dept.

uuuuu

No. 308-7/5401/56 II

# COLONIAL SECRETARIAT,

LOWER ALBERT ROAD, HONG KONG.

25 February, 1966.

M. Roed. ber 2/3

(43)

Would you please refer to our telegram 218 of 25th February about shipping to North Vietnam. I now enclose a copy of a memo from our Director of Marine giving the full details of the points made in that telegram. We shall of course let you know as and when further information comes to light.

I am sending a copy of this letter to Trench in Washington and to Carter in the Colonial Office.

(T. A. K. Elliott)

J. E. Cable, Esq., South East Asia Department, Foreign Office, LONDON, S.W.1.

c.c. N.C.C. Trench, Esq., H.M. Embassy,
WASHINGTON.
W.S. Carter, Esq., C.V.O., Colonial Office,

LONDON.

# G.F. 73C 0000733

# CONFIDENTIAL

## MEMO

E 77

From Director of Marine.

9) in M.D. 1/404/64c.

Tel. No. 44447

Date 22nd February, 1966.

To Political Adviser (3)

Your Ref in CR 7/5401/56 II.

dated

Hong Kong British Owners of Shipping trading to Vietnam.



Further to the information given you yesterday afternoon and embodied in paragraphs 1 and 2 of your telegram No. 195 to the Secretary of State, I have continued my enquiries.

- 2. World-Wide (Shipping) Ltd. report as follows:-
  - (i) "LAUREL" of Laurel Navigation Co. of Nassau, Bahamas is chartered to Daiichi Chuo Kisen of Kobe who have sub-chartered her to Sinofracht for 22-26 months from 7th January, 1965. There is no clause proscribing North Vietnam ports and the vessel may legally visit there until October 1966 March 1967.
  - (ii) "HAPPY SEAFARER", managed by World Wide is chartered to Japan Line Ltd. for 14 months from 25th April, 1965. There is no clause proscribing North Vietnam ports and the vessel may legally visit until July 1966.

If an extension or a new charter party is signed at the end of the above period, World-Wide assure me that they will attempt to negotiate the same clause as they have inserted in the "Wakasa Bay" Charter Barty.

- (iii) "GOLDEN ALPHA" and "KAWANA" are both on charter to Japanese firms with clauses excluding North Vietnam ports. They are therefore not likely to visit there before November 1966 and January 1967 respectively.
- 3. Mollers (H.K.) Ltd. assure me that they have no ships scheduled to go to North Vietnam ports, and the "ELBOW RIVER" is also out of the list.
- 4. My inquiry regarding "HO FUNG" time chartered for an indefinite period to Messrs. Kiu Lee by Yick Fung Shipping and Enterprises was met with polite ignorance of her operations and a suggestion that I make inquiry of the charterer.
- 5. I have not made inquiries of Ocean Tramping, Dah Lien (an affiliate of), Verder & Co. (H.K.) Hemisphere Shipping and Peninsula Shipping whose vessels are managed by Jebmei Shipping or Kiu Lee or on charter to Far East Enterprising Co., Ltd. These ships are:-

SHIEN FOON (Dah Lien) SANTA GRANDA (Verder & Co.)

....KINGFORD

# CONFIDENTIAL

2.

KIMGFORD
MILFORD
BIDFORD
WISHFORD (London)

CRAWFORD
FRANKFORD
DARTFORD
ROCHFORD
LONGFORD
GREENFORD (Liverpool)
STARFORD (London)

Hemisphere Shipping
Hemisphere Shipping
Ocean Tremping
Peninsular Shipping

6. I have given instructions that the ships referred to above plus
"HO FUNG", "HAPPY SEAFARER", "IAUREL", "ADROSSMORE", "ARDROWAN", "ARDTARA",
"ISABEL ERIGA", "RUTHY ANN", "SHIRLEY CHRISTINE", "DENNY ROSE" and "NANCY DEE"
shall be given scrupulous attention as to irregularities or lapses in
validity of their Safety Convention Certificates when in this port, and that
any surveys necessary shall be conducted with the usual meticulous attention
to detail.

(J.P. Hewitt)
Director of Marine.

c.c. P.A.C.S. (G)

JPH/SAC

#### FROM WASHINGTON TO FOREIGN OFFICE

En Clair

FO/CRO/WH DISTRIBUTION

Sir P. Dean

No.689 25 February 1966 D. 0422 26 February 1966 R. 0530 26 February 1966

Addressed to Foreign Office telegram No.689 of 25 February Repeated for information Saving to: Hong Kong Saigon POLAD Singapore

(ms)

My telegram No. 683: 'Shipping to North Viet Nam'.

Dealing with the threatened boycott, the State
Department Press Officer is reported to have said
at today's conference that the United States Government
deplore free-world ships calling at North Vietnamese
ports and have made their views known to "a number
of Governments"; that considerable progress is being
made and efforts are continuing; and that "we believe
the national interest would be best served by continuing
to seek the solution at the Government-to-Government level".

2. He is also reported to have said that calls in the last five months of 1965 averaged 13 as against 34 in 1964 and that "it continues to be our judgment that no strategic goods are going in or coming out on free-world ships". Reports describe the bulk of the shipping as being "British, of Hong Kong registry. Many of these are small vessels operated by Chinese Communist residents of Hong Kong. Some are chartered by Chinese Communist operators and pick up their cargo in Shanghai".

Foreign Office pass Saving Hong Kong No.5, Saigon No.26 and POLAD Singapore No.25.

[Repeated as requested].

FROM WASHINGTON TO FOREIGN OFFICE F.O./C.R.O./WH. DISTRIBUTION Sir P. Dean D. 1853 25 February 1966 No. 683 25 February 1966 R. 1914 25 February 1966 IMMEDIATE Addressed to Foreign Office telegram No. 683 of 25 February Repeated for information Saving to: Hong Kong Saigon POLAD Singapore My telegram No. 680: Shipping to North Viet Nam. Dockers in New York refused to work Queen Mary from 0800 to 0920 today. Cunard had no forewarning, but Press and television were present in force. Cunard told them no Cunarder had ever been to North Viet Nam or was likely to go there. 2. Her Majesty's Consulate-General Detroit have been warned to expect a demonstration by students next Tuesday calling for a boycott of all countries trading with North Viet Nam. Foreign Office pass Saving to: Hong Kong 4, Saigon 25 and POLAD Singapore 24. [Repeated to Foreign Office posts. Copies sent to - C.O. for Hong Kong] ADVANCE COPIES SENT PPPPP

# CONFIDENTIAL FROM WASHINGTON TO FOREIGN OFFICE

Cypher/OTP

DEPARTMENTAL DISTRIBUTION

Sir P. Dean

No. 680 24 February 1966

D. 0345 24 February 1966 R. 0526 24 February 1966

PRIORITY CONFIDENTIAL

Addressed to Foreign Office telegram No. 680 of 24 February Repeated for information Saving to: Hong Kong
Saigon
POLAD Singapore

Shipping to North Viet Nam.

You will no doubt have seen Press reports from Miami that leaders of the three main maritime unions said yesterday that the longshoremen's boycott of ships could start "at any moment," possibly before a meeting with the State Department arranged for 3 March.

- 2. This seems to be largely a pugnacious response to editorial criticism of the unions' irresponsibility (my telegram No. 651, paragraph 2). The A.F.L./C.I.O. meeting continues in Miami until the end of this week and may produce further wild threats, but the impression we have at the moment is that no clear course of action has been thought through. There are rumours among shippers here, perhaps wishful thinking, that the boycott will be for a limited period of time only (i.e. a gesture rather than a sanction). The State Department confirm that Mr. Mann has agreed to see the union leaders concerned on 3 March.
- 3. On balance, I see no reason yet to modify the assessment in my telegram No. 611. This does not mean, however, that we can afford to be complacent about this threat. Even if it ends in nothing more than sporadic harassment, uncertainty is already causing attempts to divert cargoes from British lines; and the extra publicity which it gives to our shipping and trade with North Viet Nam may yet result in a move to boycott British exports here.
- 4. As Mr. Mann pointed out (my telegram No. 657), the President's relations with organized labour as a whole are bad and worsening, and the shipping unions are particularly disappointed at the administration's proposed cut in the present level of subsidy. The threatened boycott is as much an attack on the administration as on us, and if the unions show determination in pressing it we must hope that the frank and forthcoming tone of your reply to Mr. Rusk (your telegram No. 2081, for which I am grateful) will enable the latter to damp down the fire without too much public smoke.
  - 5. As background I should add that Gleason (Head of the East and Gulf Coast Dockers, who would be the ones to operate any /boycott)

# Washington telegram No. 680 to Foreign Office

- 2 -

boycott) has been to Viet Nam recently to advise on speeding up port procedures. He is probably emotionally involved from this first-hand contact. Paul Hall, the President of the Maritime Trades Department, is ambitious and unscrupulous, and determined to fight the administration on its maritime policies. In the relaxed atmosphere of Miami Beach, with formal meetings only in the mornings, there is plenty of time for superregeneration of political feelings and animosities. This often explains ex-parte statements which go beyond formal resolutions. In addition, dock workers being what they are, it is entirely conceivable that gang-leaders on particular docks may, at any time, take it into their heads to put the boycott resolution into effect. So we could see a full boycott at all Atlantic and Gulf Coast ports on the authority of the A.F.L./C.I.O. Maritime Trades Department, a series of sporadic boycotts organized by that department, or an unofficial [sic] series of refusals to load or unload particular ships.

Foreign Office please pass Saving to Hong Kong 3, Saigon 23 and POLAD Singapore 22.

[Repeated as requested]

#### DISTRIBUTED TO:-

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- C.R.O. F.E.P.D. General and Migration Dept. News Dept.

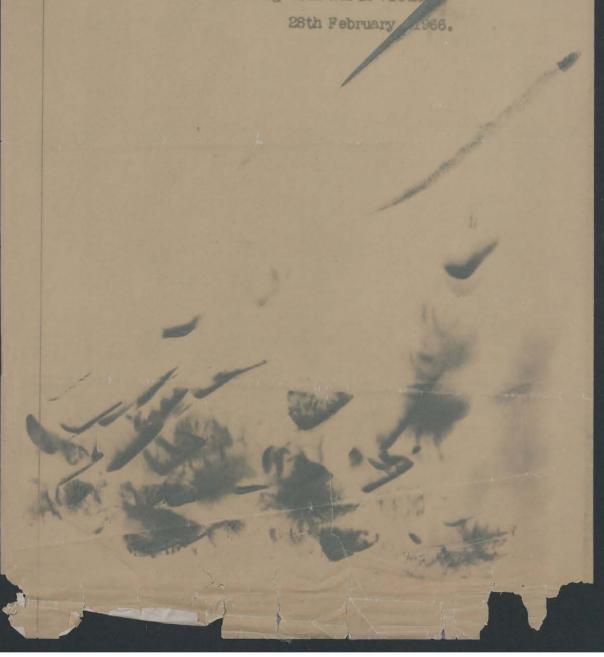
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for ORAL answer on

The draft reply should reach the Parliamentary Office through your Under-Secretary by

Lord Balniel (Hertford): To ask the Secretary of State for Foreign Affairs, what has been the outcome of the talks between Her Majesty's Government and the United States Government about British shalls trading with North Vietna



Reply to P.Q. from Lord Balniel

Talks have been held from time to time between British and United States officials about ships trading with North Viet-Nam and these have enabled us to establish certain details about the volume and nature of this traffic.

REFERENCES:

#### NOTES FOR SUPPLEMENTARIES

It is difficult to have precise statistics but we are generally agreed that about 20-30 British flag ships visit North Viet-Namese ports from time to time, most of them in ballast to pick up export cargoes such as coal.

2. The number of British flag ships making such visits has decressed considerably in the past year, no doubt owing to the situation in that area. Most of the ships are registered in Hong Kong and a good number of them are under formed agencies we cannot control.

- 3. No British flag ships are known to have carried strategic goods which might contribute to the North Viet-Namese war effort.
- 4. There is a widespread feeling in the United States that these British flag ships

/should not

Neillar are stay in our charles to Japan couche our control Why single out Charme?

Breame the use 8 when under charts to the Japanie and about 18 to the

Chinese Chiss Pestell's agreement with Miss Pestell's agreement indicated the small amendment indicated has been in de in 2nd hipplem. Note.

should not be going to North Viet-Namese ports.

By is understandable. But there is no
Exitish law forbidding them to do so and I do
not think there can be any question that the
traffic contributes to the war potential of North
Viet-Nam.

- 5. This was one of the subjects which were discussed with Mr. Solomon when he visited London recently.
- 6. This question of shipping must be seen in perspective. Ships flying the British flag do go to Haiphong and other ports. But Britain's trade with North Viet-Nam is negligible. Other countries of the free world take much more of North Viet-Nam's exports and indeed some of this trade is carried in British flag ships. Even if it were possible to force all our ships to keep clear of North Viet-Nam this would not necessarily stop her exports which, as I say, do not come to Britain.

Covering Minute

Strong American feeling about British ship trading to North Viet-Nam culminated recently in the visit of Mr. Solomon to London to discuss the facts of the trade with officials. As a result of discussions with him which showed that the problem is really that of Hong Kong ships, efforts are being made to see what administrative measures might be taken to discourage such trade. We have not however given the Americans any assurances that measures, either administrative or legislative, would be considered.

- 2. Lord Balniel may have heard rumours of the talks with Mr. Solomon for his presence in London was known to the press and the fact that Viet-Nam was one of several subjects which he was here to discuss, but he does not refer specifically to theæ talks. He could equally well have heard of the talks which had taken place from time to time between officials in Washington on this same subject.
- 3. Whilst we would not wish to do anything to attract attention and possibly criticism at home in discussing this subject we can be sure that anything said here will receive attention in the United States where feeling runs high. It is therefore desirable to treat this in a calm and factual way.
- 4. I submit a draft reply and notes for supplementaries which have been prepared together with the Board of Trade and Colonial Office and which have been cleared by H.M. Embassy in

S028

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(HANSARD)

# HOUSE OF COMMONS

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### [Continuation from Col. 1436]

#### RHODESIA (EXPORTS AND IMPORTS)

10.0 p.m.

The Attorney-General (Sir Elwyn Jones): I beg to move,

That the Southern Rhodesia (Prohibited Exports and Imports) Order, 1966, dated 20th January, 1966, made by Her Majesty in Council under the Southern Rhodesia Act, 1965, a copy of which was laid before this House on 20th January, be approved.

The object of this Order is to restrict the import into Rhodesia and the export from Rhodesia of such products as the Secretary of State may specify by an Order or Orders under his hand. To date, he has specified two products, chrome and tobacco, which have become prohibited exports by virtue of Orders made by the Secretary of State on 20th January and 7th February, respectively. He has not yet forbidden the import of any product into Rhodesia under this Order.

It might be helpful to the House if I were first to explain the legal effect of the Order. Paragraphs (1) and (2) of Article 1, as the House will see, forbid the export or the import, as the case may be, from or into Rhodesia of specified products, save to the extent that the Secretary of State makes Regulations authorising such transactions. graph (3) of the Article prohibits the making or performance of contracts for the export or import of any specified products, or the making or performance of a contract for the sale of such products which are intended for export or import, or the doing of any act, such as acting as an agent, which is calculated to promote the export or import.

Under Article 1(4) it is an offence to contravene any of these provisions. As the Order extends to Southern Rhodesia as well as to the United Kingdom, this offence may be committed by anyone of whatever nationality within the jurisdiction of either country. It may also be committed anywhere in the world by a United Kingdom or Rhodesian citizen, including a United Kingdom or Rhodesian company.

Article 1(5) prescribes the effect of the Order on existing and future contracts in relation to specified products. such contracts, whether made before or after 20th January, when the Order came into operation, are rendered void, and so is any future transfer in pursuance of any such contract. This is the normal position under both English Rhodesian law, when a statute prohibits a conclusion or performance of a particular kind of contract, and the provision in paragraph (5)(a), which renders a contract absolutely void, is merely declaratory of the law. The effect of these provisions, therefore, is that if the contract has not been fully performed by the time it becomes void the parties are then released from their obligations under it, and cannot be sued either in the Rhodesian or in the English courts for failing to perform the contract.

However, if the vendor has already delivered the goods he can sue for reasonable recompense for the goods, subject to the deduction of reasonable expenses incurred by the purchaser. Similarly, if the purchaser has paid money before that date, he can sue to recover it, subject, again, to the deduction of reasonable expenses incurred by the vendor. This, again, is the normal position in both English and Rhodesian law.

If, however, the parties to the contract which the Order makes illegal purport to transfer property in pursuance of the contract, sub-paragraph (b) secures that the purchaser will get no title to the property. If money is paid in pursuance of such a contract, the money will be irrecoverable by reason of the proviso to the paragraph.

Perhaps I can give an example of how this may work. Let us suppose that a person in Rhodesia now buys tobacco with the intention of exporting it. He cannot get a good title to the tobacco and may subsequently find it taken from him, but if he pays for it his money will be irrecoverable, so he will lose both ways. But if he had entered into the contract before the date of the Order he may, under the law of both countries, recover what he has paid, even though the contract is now void and cannot lawfully be further performed.

[THE ATTORNEY-GENERAL.]

Rhodesia

Article 2 prescribes the penalties and makes appropriate provision for the institution of criminal proceedings. Articles 3 and 4 are, I think, self-explanatory, but the House will note under Article 3(3) that Orders and Regulations made by the Secretary of State are subject to annulment by Resolution of either House.

So far, I have endeavoured to describe the legal effect of the Order. I should now like briefly to explain why the Government have thought it necessary to take this particular step towards the restoration of constitutional rule in Rhodesia. The purpose of the Order is to increase the effectiveness of our economic sanctions and, in particular, to enable us to reinforce the action which other countries are taking to bring trade with Rhodesia to a halt.

There are really two aspects to this matter. As the House will recall, we have ourselves banned the importation of Rhodesian goods, such as tobacco, by the machinery of revocation of import licences. In many cases, other Governments have followed our example, but, in some cases, they have, because of legislative difficulties, merely requested their importers to fall into line with British practice. By rendering illegal under the law of Rhodesia the export of the products in question, the present Order produces the result that foreign importers who, despite the wishes of their own Governments, would otherwise feel obliged to carry on with their existing contracts, can now rely on "supervening illegality" or, as it is sometimes described, force majeure, and they can plead this to relieve them of obligations under existing contracts.

Furthermore, even where there are no existing contracts in question, foreign importers and suppliers will usually be prepared, as we have found from experience, to respect our law and to refrain from undertaking any further transactions of the sort we have made illegal. For example, the Order was applied to chrome on 20th January this year so as to illegalise current chrome contracts. The United States, who are by far the largest importers of Rhodesian chrome, thereupon requested American importers to cease importing chrome from

Rhodesia. Their importers will now be in a position to comply with this request.

The second aspect of the matter is this. The Order in Council will strike at transactions in which speculators might buy Rhodesian products with the aim of securing a rich killing. Such merchants might speculate on the fall of the illegal régime and may therefore try to acquire Rhodesian goods now or in the near future at knock-down prices with the intention of storing them in Rhodesia or elsewhere and disposing of them at a profit at some future date when normal lawful Government is restored in Rhodesia. It was to prevent such transactions as those that the Government have already specified tobacco, which clearly plays a critical part in the Rhodesian economy. Not only will the Government's action prevent a valuable accretion of foreign exchange to the illegal régime, but the Government also have in mind that we would be preventing one of the most valuable assets in the Rhodesian economy-which will be badly needed when there comes the task of reconstruction—being dissipated for the benefit only of speculators.

There is the further point that these measures aimed at speculators protect the position of those legitimate traders, British and otherwise, who have loyally carried out our policy. It was for these reasons that after full consultation with the Tobacco Advisory Committee, which is the representative body of the industry, that the Government decided that it was necessary to specify tobacco as a product which it was prohibited to sell for export in Rhodesia. The other major importers of Rhodesian tobacco, in addition to the United Kingdom, have already banned the import of tobacco from Rhodesia and we have no doubt that all countries collaborating in these matters will take appropriate action to ensure that our legislation aimed at preventing speculation is respected.

Mr. R. T. Paget (Northampton): Will my right hon. and learned Friend assist me? Could he tell me what paragraph of this Order makes it illegal to buy tobacco for storing?

The Attorney-General: Any purchase of tobacco after the Order, where that tobacco is intended for sale outside Rhodesia, is illegal.

Mr. Paget: But if it is intended for storing and not for sale outside Rhodesia, surely that is legal?

The Attorney-General: The speculator against whom the Order is aimed would not obtain a title to the tobacco, and if he paid any money in respect of it he would lose his money as well.

Mr. Paget: Why?

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The Attorney-General: I am sorry that my hon, and learned Friend is not able to follow the Order, but I can assist him no further.

Unhappily there is no doubt that this Order, like the other Measures which the Government have found it necessary to take in consequence of the illegal declaration of independence, will cause loss and perhaps hardship to Rhodesians many of whom are loyal British subjects. This, unfortunately, is an inevitable consequence of this rebellion.

Economic sanctions naturally bear heavily on those engaged in economic activities, but it is not the farmers and small tradesmen of Rhodesia at whom this Order is directed. The sole purpose of the Government now, as always, is to hasten the restoration of a lawful Government in Rhodesia. To achieve this we must bring the greatest possible pressure to bear on the illegal rebel authorities. That is the purpose of this Order which I now invite the House to approve.

Mr. Raymond Gower (Barry): Would the Attorney-General answer one question before he concludes? If the Order is deemed to be of the importance of which the Attorney-General has spoken, why was it deferred until 20th January?

The Attorney-General: The economic sanctions have been cumulative in their effect. This is yet a further step in the enforcement of effective sanctions. It was hoped that the earlier sanctions would have had the necessary effect. That has proved not to be the case, and so the enforcement of further sanctions has been necessary to achieve the objective of the Government.

10.15 p.m.

Mr. Anthony Barber (Altrincham and Sale): The Attorney-General has explained the legal purpose of the Order with his usual lucidity and has also

given the reasons which have prompted the Government to make it. It is of particular importance, as the right hon, and learned Gentleman will recognise, to subsidiary companies of United Kingdom companies. The right hon, and learned Gentleman will be the first to agree that there has not been, and there is not now, any suggestion that those companies have not been abiding by the policies of Her Majesty's Government regardless of their views on the merits of the policies which are being pursued. I hope also that the House as a whole will accept that it is natural and in their own interests, as well as in the longer term interests of both Britain and Rhodesia, that these men in Rhodesia on whom the Order bites should be looking ahead to the time when normal business can once again be resumed.

I should like to ask the Attorney-General two questions. First, on the face of it, the Order seems to impose a very heavy burden on those men and women, loyal subjects of Her Majesty, who are actually on the ground in Rhodesia and having to face all the difficulties of going about their daily work under an illegal Government. Do the learned Attorney-General and his colleagues really consider that the exercise of the powers which are sought here and which have been implemented in the two cases the Attorney-General mentioned are likely to be effective, bearing in mind that the Government have themselves taken the most sweeping powers in a contrary direction? I am told, for instance, that the Smith Government have already ordered some employees in a number of companies to remain at their jobs.

The second point of detail on the Order is this. I hope that the Attorney-General will assure the House that in future, in so far as the Government consider it necessary to restrain the activities of either British subsidiaries or emsubsidiaries ployees of British Rhodesia, they will in all cases first approach those in charge of the parent companies in Britain. I see no reason why this should not be done, and I know that those in Britain who control companies which have subsidiaries in Rhodesia are very conscious indeed, as I hope the Attorney-General is, of the difficulties which will be experienced by [MR. BARBER.] employees of subsidiary companies in Rhodesia who are faced with the complications which are imposed by the Order.

The Attorney-General: I give that assurance on behalf of the Government immediately in regard to any future products that may have to be specified.

Mr. Barber: I am grateful to the right hon, and learned Gentleman. On the more general aspects of the Order, it certainly is not my purpose to go over again the history of all that has happened since U.D.I. Indeed, I do not propose to detain the House for more than a few minutes, because the right hon, and learned Gentleman has explained in detail the nature of the Order and the legal consequences. However, we have to consider this Order in the context of the Government's overall policy for dealing with the situation which has arisen in Rhodesia.

For reasons which I will give the House in a moment, I hope that the House will not oppose this Order, but that is not to say that there is anyone in the House, or indeed, I think one could say, outside, who can be happy with the position which has now been reached.

The purpose of the Order, as the right hon, and learned Gentleman has said, is to add a further sanction to those which have been imposed already, but it is wholly wrong to consider the question of sanctions in isolation. Sanctions are not an end in themselves. They are merely a means to an end, and that end, as my right hon. Friend the Leader of the Opposition has repeatedly said, is to persuade the people of Rhodesia to turn back to moderation and to constitutional rule.

The tragic situation in Rhodesia at the end of the day can be solved only by conciliation. Therefore, in considering both the purpose of this Order and also the likely consequences of the action taken under it, it is also necessary to consider the Government's proposals to encourage Rhodesia to return to the path of constitutional government.

Mr. Speaker: Order. The right hon. Gentleman must not get too wide. We are debating the Order itself and he must link what he is saying to the Order.

Mr. Barber: I do not want to detain the House more than two or three minutes. I appreciate that this is not a debate in which we can go into the whole question once again of the policy of the Government and the Opposition. The point which I seek to make is simply that when one is considering whether or not one should give approval to an Order of this kind, which has very serious consequences for people in Rhodesia, it is necessary, as the Prime Minister himself has said on a number of occasions, to consider any sanctions in the context of the policy which the Government are pursuing to try to encourage the illegal regime in Rhodesia to return to a state of normality.

On 25th January the Prime Minister made a major statement in the House in which he set out the Government's aims and purposes. I will not weary the House with all that the right hon. Gentleman said, but he started by referring to the pacification side of economic measures and the pacification side of the Government's policy. I will not go over that ground again. Suffice to say that we on this side of the House have very real reservations—and I hope that the whole House will respect these reservations as sincerely held—as to the likelihood of the plan which the Prime Minister announced on 25th January succeeding.

I say that to those in Rhodesia who are faced with the sanctions already imposed and now see these new sanctions, so far in respect only of chrome and tobacco. I say to those in Rhodesia to whom, if I may so call it, the Prime Minister's peace plan was directed, and whom it is necessary to influence if the objective of all of us is to be attainedand to many of them that plan will seem almost like unconditional surrenderthat unless Rhodesia is to slide as a result of economic sanctions into chaos, the policy of sanctions must be accompanied by a realistic attempt at conciliation.

I had hoped to remind the House, but in the light of your Ruling, Mr. Speaker, I will not pursue it now, of the two important respects in which we on this side of the House disagree with the proposal put by the Prime Minister on 25th January. All I say now is that unless a policy of economic sanctions and a

genuine and realistic attempt at conciliation go hand in hand, there is a real danger that further sanctions, of which this is one, may drive the Rhodesians to extremes rather than bring them to moderation. This is surely an anxiety, whatever our differences may be, which must be shared by everyone on both sides of the House.

That is all I have to say on the merits of extending the area of sanctions as proposed by this Order. Depending to some extent on how the Order is implemented in future, it is a comparatively small extension of the existing major sanctions and is, in a sense, consequential. But there is one overriding consideration which I urge upon the House. For all the doubts and anxieties which my hon. Friends feel about the way in which the Government's policy on Rhodesia is developing, I cannot think that it would be right to oppose an Order which is merely an extension of that policy at a time when my right hon, and learned Friend the Member for Wirral (Mr. Selwyn Lloyd) is in Africa for the express purpose of making an on the spot assessment of the position.

My right hon. and learned Friend has spent ten days in Rhodesia. He has had an opportunity to meet people of all races, and, as the House knows, he is now in Zambia.

Sir Knox Cunningham (Antrim, South): That is more than the Secretary of State has done.

Mr. Barber: That is true. This is the first time that any member of either Front Bench has visited Rhodesia since U.D.I. Whatever the reservations that some of my hon. Friends may have about the Order, I hope that they will consider it right in these circumstances not to oppose it.

10.27 p.m.

Mr. Eric S. Heffer (Liverpool, Walton): I support the Order, but first I want to make a brief comment on the speech of the right hon. Member for Altrincham and Sale (Mr. Barber). He made the point that the right hon. and learned Member for Wirral (Mr. Selwyn Lloyd) is in Rhodesia assessing the situation. Obviously I must not go beyond the terms of the Order, but I must say that the right hon. Gentleman did not make

a bad start in that direction. But I think it is a scandal that the right hon, and learned Member for Wirral has visited Rhodesia.

Mr. Speaker: Order. It may or may not be a scandal—the Chair has no opinion on that—but we must discuss the Order.

Mr. Heffer: I will endeavour to do what the right hon. Member for Altrincham and Sale has done, Mr. Speaker, and that is to keep within the terms of the Order. But the right hon. Gentleman mentioned that the right hon. and learned Member for Wirral had been in Rhodesia and I was merely making a comment in relation to that point.

We must discuss the Order in relation to the overall situation. I want to refer to some remarks made by the right hon. Member for Streatham (Mr. Sandys), who, in his constituency on 31st January, challenged the Government's policy in relation to sanctions, which I assume is also in relation to this Order. He said

"The policy of sanctions is being gleefully pursued as a kind of holy war."

The right hon. Gentleman further said:

"The defeat of Smith seems now to be regarded as an end in itself and the purpose for which sanctions were imposed is being forgotten."

I had always thought that the purpose of the imposition of sanctions was precisely to get rid of the illegal régime and to put in its place a lawful government which would be in proper relationship with the British Government. Apparently, I was mistaken. We are told that we are gleefully pursuing sanctions. I do not see any right hon. Gentleman on either Front Bench gleefully pursuing sanctions. Sanctions were introduced only after the illegal action of Smith and his régime.

Mr. Speaker: Order. I make no comment on the rightness or wrongness of anything the hon. Member for Liverpool, Walton (Mr. Heffer) has said, but this is not a general debate on sanctions. It is a debate on a particular sanction imposed by this particular Order. The hon. Gentleman must come to the Order.

Mr. Sandys (Streatham): Am I in order in interrupting the hon. Member and drawing his attention to a passage in my speech which he has not quoted? Mr. Speaker: That is not a question of order. It is a question of whether the hon. Gentleman allows the right hon. Gentleman to intervene.

Mr. Sandys: Will the hon. Gentleman allow me? He has quoted a passage from my speech which he has carefully selected. May I read to him the passage which went immediately before that? I said:

"The extra sanctions against Rhodesia ... will add little to the pressures which are already being applied. They are clearly intended primarily to satisfy African opinion." I believe that to be true.

"But, like all previous measures, they will fail to achieve this purpose. Their only effect will be to increase bitterness among the White Rhodesians and to consolidate them further behind Ian Smith."

Mr. Heffer: I am grateful to the right hon. Gentleman for quoting that part of his speech, for I was just coming to it and he has done it for me. He said that sanctions were clearly primarily intended to satisfy African opinion. I had no idea that the Government were introducing sanctions, including this Order, to satisfy African opinion.

Mr. Speaker: Order. By merely occasionally mentioning the Order the hon. Gentleman does not bring the rest of his remarks within order. I have allowed him to make some observations. I see no mention of the name of the right hon. Member for Streatham (Mr. Sandys) in the Order, nor of sanctions in general. The hon. Gentleman must address himself to this sanction and to why he will support it or vote against it.

Mr. Heffer: I have not yet been sufficiently long in the House to be able to overcome these difficulties with which hon. Members are sometimes faced, but I am doing my best. It is very difficult to discuss the application of one specific Order without at the same time relating it to the overall situation, as was appreciated by the right hon. Member for Altrincham and Sale. I have endeavoured to relate the Order to the overall situation.

Mr. Speaker: Can I help the hon. Gentleman? I appreciate his difficulty. The Chair is not being fractious or pedantic. One of the most difficult debates in the House, as hon. Members know, is a debate on an Order. It is a very narrow debate.

Mr. Heffer: The objection is this. We have heard from the right hon. Gentleman the Member for Altrincham and Sale that the Opposition are not going to oppose the Order. At the same time there is no great enthusiasm for it. This indicates very clearly the position of the Opposition in this situation. When the Government were forced to embark upon these measures and step by step various sanctions were proposed, we were told by the hon. Gentlemen on the Front Bench opposite that they were supporting the Government in their endeavours.

There were certain qualifications, and now we find that on each occasion when Orders have come before the House, including this one, the qualifications grow. Now we are told that although they are not proposing to vote against the Order it may, in the words of the right hon. Gentleman. drive the Rhodesians to Which extremes. Rhodesians? The illegal government of Mr. Smith? I suggest that before this Order ever came into existence that Government of Southern Rhodesia was moving in a direction of extremes. The mere illegal declaration of independence was an extreme. The Bishop of Matabeleland, who was vicar of my parish church, prior to his present appointment, and who is well-known in Liverpool as a gentleman with some standing in the Church of England, renowned for his sincere and advanced views in the Church-

Mr. Paget: Are his ideas in the Order?

Mr. Heffer: One thing is certain, none of my hon. and learned Friend's ideas are in this Order. They are the very opposite. The point I am making is that there was in *The Guardian*, only two days ago, an article by the Bishop of Matabeleland, pointing out that the type of policies being pursued by Smith are precisely the opposite to law and order and indicate that the white Rhodesians, as far as Smith is concerned, have already gone to extremes.

To say that this Order is going to move the Smith régime to extremes is quite ridiculous. They are already in that position. What is the answer? Is it to carry out some sort of gentlemanly negotiations with the Smith régime, or is it to ensure that this type of Order is carried out to the full? The answer

is obviously that we must ensure that this matter is brought to a speedy conclusion by the passing of the Order.

I find it rather difficult to raise some of the points, because the right hon. Member for Altrincham and Sale, who spoke for the Opposition, raised many points—

Mr. Speaker: Order. I called the right fon. Gentleman to order, as I called the hon. Member himself to order. The Chair is fair to both sides.

Mr. Heffer: I appreciate that you are being fair to both sides, Mr. Speaker, but we are in the difficulty that at the same time as we are discussing an important Order we have had from the right hon. Gentleman a criticism of the Government's measures. This was clearly said -I noted it as it was said—in relation to the plan put forward by my right hon. Friend the Prime Minister on 25th January. I do not know how I can say that I disagree with the right hon. Gentleman's attitude and relate my remarks to the Order. It is difficult for me to say this. However, I think I have made the point that I disagree with the right hon. Gentleman, and I certainly support the

I conclude my speech, because it is obvious that I shall not get far in pursuing this, by referring to reports that are coming through this evening. I am not sure whether this is specifically concerned with the Order, but I understand that it refers to "any specified product". I understand that 30,000 tons of oil—[Hon. Members: "Gallons."]—I am sorry, 30,000 gallons of oil, have today been moved into Southern Rhodesia from South Africa. This is a serious situation.

I hope that the Government will take full note of the actions of the South African Government, who are allowing that to happen. I suggest that we should consider taking this matter to the United Nations.

Mr. Speaker: Order. Again, that may be true, but I do not see that it comes within the Order.

Mr. Heffer: I conclude my remarks by saying that I hope that the point I have made will be noted by my right hon. Friends and that, at the same time, the House will support the Order.

10.43 p.m.

Mr. Julian Amery (Preston, North): The hon. Member for Liverpool, Walton (Mr. Heffer) stated that from the beginning he had thought that the purpose of the sanctions was to "get rid of Smith". I rather agree with the hon. Member. I think that this was always the Government's intention, but that was not how the matter appeared at the beginning.

These Orders take us a very long way from the position we were in when we first discussed economic measures against Rhodesia last November. We were then told that there would be no total trade embargo. The idea of oil sanctions was at first discounted when my right hon. Friend the Leader of the Opposition inquired about it. Here we are this evening, putting on the last 5 per cent. of sanctions of which this country is capable. There is, I understand, nothing more that we can do to tighten the economic embargo.

Mr. Jeremy Thorpe (Devon, North): Oh, yes, there is.

Mr. Amery: I may be wrong. If there is more that we can do, perhaps the Liberals will tell us.

I understand from what the Prime Minister has said that tonight's Order brings the sanctions to 100 per cent.

I do not know whether this and the other Orders have been introduced under pressure from the Commonwealth Sanctions Committee, or whether they are a last desperate throw of the Government to break the camel's back. But I submit that these Orders are an admission of the failure of the policy of sanctions and that if the sanctions had been succeding, this Order would not have been necessary.

Like many other hon. Members, I have recently been in Rhodesia. I do not propose to weary the House with any account of my experiences, but I would say that it is becoming increasingly apparent to all of us, I think on both sides—and the hon. Member for Walton will probably agree with what I say—that with or without these Orders there will not be what the Government's advisers, in their horrid phrase, call a "quick kill" of Southern Rhodesia.

There was a time when the Prime Minister spoke—I think at Lagos—about [MR. AMERY.]

Rhodesla

sanctions being effective in weeks rather than months. The Commonwealth Secretary, in a speech he made last week, gave the impression that it would be months rather than weeks. And yet, even with the addition of these sanctions, I think that the whole policy will collapse, because delay must be fatal to the policy. Other countries will support it only if there is to be a quick kill. If there is no sign of a quick kill international support will become frayed at the edges. The Commonwealth Secretary knows this as well as, perhaps better than, I do.

I follow my right hon. Friend the Member for Altrincham and Sale (Mr. Barber) in saving that sanctions are only a means to an end. We have to see for ourselves what is the object for which these Orders are being introduced. What is their object? I was never in any doubt myself, though I can well understand that others, on both sides of the House, may have thought the Government were introducing other sanctions and these were the purpose of bringing Mr. Smith to the conference table once again. If anyone had any beliefs of this kind they must have been rudely shattered by the Prime Minister's statement on the day we reassembled after the Christmas Recess.

The object of these sanctions has been made perfectly clear by the Prime Minister. It is to establish, first of all, a period of direct rule. I know that this has been denied in terms, but the idea is that the Governor should rule with the help of an executive council. To whom should this council be responsible?

Mr. Speaker: Order. The right hon. Member so far has been in order. He is now stepping out of it.

Mr. Amery: I beg only to submit that these Orders are a means to an end, and the end we are faced with by the Government has been newly expressed since we last debated these matters before the Recess. It was only on the day the House reassembled, and there has been no Rhodesian debate since then, that the Prime Minister defined for the first time in categorical terms the purpose of this policy, and here for the first time we are discussing a means to implement that policy. With very great respect, I would

submit that I would be in order if I were to comment very briefly—and I undertake, only very briefly—on the object—

Mr. Speaker: Order. If we debate what happens if these sanctions do or do not achieve their purpose, then we open wide a debate on Rhodesia. The right hon. Member must link his remarks to the Order.

Mr. Amery: Naturally, I bow to your Ruling, Mr. Speaker, but I am not seeking to discuss what will happen if the sanctions do or do not succeed. I am only seeking to discuss what their direct purpose is. Their direct purpose is to establish, as the Prime Minister explained to us the other day, a Governor's council, responsible not to the Legislature in Rhodesia, but to the Commonwealth Secretary and, therefore, to this House. That was the only point I was trying to make.

The other point, as I understand him, he was trying to demand was the early establishment of majority rule. I am not going into the modalities by which he is trying to establish this, but it seemed to me quite clear from the terms he used that the other purpose of the Order, like that of the Orders before it, is to bring about majority rule a good deal sooner than it would have come about under the 1961 Constitution. And after the recent events in Nigeria each of us can have his own opinions whether this right or wrong—

Mr. Speaker: Order. I am deeply sympathetic with the attitude of every hon. Member and right hon. Member who seeks on this Order to open a debate on Rhodesia—sanctions, what has happened in the past, what is to happen in the future; but we are discussing this Order, and must stick to it.

Mr. Amery: Mr. Speaker, I did not intend to go beyond what I have said. I was only trying to relate these Orders to the purposes which the Prime Minister had in mind, which appeared to me to be a period of direct rule and the early imposition of majority rule.

I agree with my right hon. Friend the Member for Altrincham and Sale that the Orders do not in themselves change or affect the situation very greatly. To some extent, they are consequential on

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those that we have agreed before. Nevertheless, I feel the strongest reservations about them, not because of what they contain themselves, but because of the principles and the polices whih they are intended to serve.

So I come to the question of what we should do about them and how we should vote. My right hon. Friend has advised us not to divide the House, and I always harken to the advice that he gives. I want to be as helpful as I can in the matter. I recognise that we on this side are in some difficulty. The last time we discussed these matters some of my hon. Friends voted with the Government. They may have been in difficulty since, and I do not want to exacerbate any conflict that there may be between consistancy and constituency.

I recognise that my right hon. Friend the Leader of the Opposition is also in some difficulty. It is always a bit awkward to sit on a barbed wire fence, and very difficult to come down from it with dignity and without damage. I should like to help, if I can. But per-haps my help will not be the most valuable for a greater man than I is at hand. Winging back from Africa comes my right hon. and learned Friend the Member for Wirral (Mr. Selwyn Lloyd). I agree with my right hon. Friend the Member for Altrincham and Sale that we will be well advised to see what conclusion our right hon, and learned Friend has reached; because I hope and believe that he will have come to very much the same conclusion as I have from my recent visit to that part of the world. I hope and believe that when he is back, and has given his opinion, we can all line up on the same side of the barricade. I accordingly conclude that the right course would be to harken to the advice of my right hon. Friend and not divide the House tonight.

However, I would add a word of warning to him, and I should like briefly to draw a parallel which I hope will be within the rules of order. On the last occasion that the House discussed a unilateral declaration of independence, Lord North, who headed the Government, was in a very strong position. He had on his side the native population-

Mr. Speaker: Order. The right hon. Gentleman is now on the wrong side of the barricade. He must come back to the Order and leave Lord North.

Mr. Amery: I will cut my parallel extremely short, Mr. Speaker. The last time a U.D.I. was discussed in the House-

Mr. Speaker: Order. We are not even discussing U.D.I. The House is discussing the Order. I must ask the right hon. Gentleman to accept the Ruling of the Chair.

Mr. Amery: I do, indeed. I was saying that the last time Orders of this discussed. kind were in another epoch-

Mr. Speaker: Order. We are not even discussing the Orders which might have been brought before Parliament in the period to which the right hon. Gentleman is wrongly attempting to refer. He must come to the Order.

Mr. Amery: I will, of course, accept your Ruling, Mr. Speaker, and return to the Order.

All that I was urging is that there should be unity in the opposition party inside the House, because it was the absence of unity on a previous occasion which did so much harm to our efforts to save the American colonies.

10.55 p.m.

Mr. Michael Foot (Ebbw Vale): The right hon. Member for Preston, North (Mr. J. Amery) says that he and his hon. Friends are in some difficulty. I would do my very best to help them out of it, but I must say that the right hon. Gentleman has not made it very easy for me. Indeed, none of the three speakers from the opposite side has made it very easy, because each of them, despite the fact you, Mr. Speaker, pointed out that this Order is a narrow one, still managed to present a contrary view about it.

The right hon. Member for Streatham (Mr. Sandys) is waging a holy war against the Order. The right hon. Member for Preston, North says—and this is the main part of his case, or at least the main part of it that was in orderthat this Order travels a long way from the original purposes and intentions which were announced by the Government when they first introduced their measures after the declaration of U.D.I.

[Mr. Foot.]

One would have that that if the right hon. Gentleman were to follow that statement through, he would be compelled to go into the Division Lobby, because if this Order carries the previous sanctions far from what had originally been agreed by the House, that is all the stronger reason, from his point of view, for voting against it.

The right hon. Gentleman cannot say in one breath that the House is being dragged very much further than had previously been thought, and then say that as the leader of those who oppose this process he is not going to take any action against it. What the right hon. Gentleman said was contradicted in advance by the right hon. Member for Altrincham and Sale (Mr. Barber), because he says that this Order is consequential. It cannot at one and the same time be consequential and travel a far distance from what we had originally proposed. It must be one or the other. Thus, eager as I am to help the right hon. Gentleman, he has not assisted me, because in the opening part of his speech he opened a fresh gulf between himself and his right hon. Friend, as if there was not a wide enough gulf there already.

But the right hon. Member for Streatham goes even further. It may be that he is trying to outbid the leader of the Monday Club. He is out for the leadership, because he used much stronger terms. From the speech which I heard quoted, the right hon. Gentleman was not referring to this Order, but was referring to future Orders which were in train. If he was merely referring to the past, there would hardly have been much point in his speech. I presume, from the right hon. Gentleman's speech in Streatham, that he knows the kind of Order we are discussing. He said that extra sanctions, which is what we are discussing, could only have the effect of increasing bitterness in Rhodesia, of making the whole of the Government's policy, or the country's policy, what he would like to be the country's policy, more difficult.

The right hon. Gentleman emphasised it by saying that those who were introducing Orders of this character were guilty of pursuing a holy war against Mr.

Smith. A person who thinks the Government are doing that can hardly sit quiet and refuse to vote on an Order of this nature. So the right hon, Gentleman makes it clear that there is not merely a split between the back bench and the Front Bench, but confirms that there is a split on the Front Bench.

If the right hon. Gentleman is to stand by the speech that he made in his constituency, he has a duty to vote tonight. He has no right to make charges of this character against the Government. He is very sensitive about charges about motives, and I think that he has every right to be. We are all eager to protect ourselves against charges about motives, but the right hon. Gentleman—

Mr. Stephen Hastings (Mid-Bedfordshire): On a point of order. Mr. Speaker, in the light of the advice which you tendered to my right hon. Friend the Member for Preston, North (Mr. J. Amery) just now, I wonder how closely the hon. Member is relating his speech to the Order.

Mr. Speaker: I hope that the House will let the Chair take care of order. I am eager to call the hon. Member for Ebbw Vale (Mr. M. Foot) to order the moment he gets out of order.

Mr. Foot: What we are discussing—[Interruption.] If the Opposition Chief Whip wants to make a speech, he can rise to his feet like anybody else. That is, on the assumption that he might have anything to say which would be in order. We give him the benefit of the doubt—

Mr. Speaker: Order. I see no mention of the Chief Whip in the Order.

Mr. Foot: But we can hear him here, Mr. Speaker.

What the House is discussing, and is entitled to discuss, is the Opposition's attitude to the Order. I was discussing the three interventions which have so far been made from that side of the House and was coming to the fourth, only to find that I cannot pursue that further.

I was remarking that the three speakers from the Opposition so far have presented contrary views to the Order. There is a three-way split already. I think that that is a perfectly valid point, because, after all—[Hon. Members: "Tedious repetition."] I do not want to

repeat my remarks for hon. Members' benefit, but I shall have to do so if they interrupt in such a sense. An hon. Member is entitled to repeat something if it is necessary to enlighten other hon. Members. Only tedious repetition is out of order—

Mr. Speaker: Order. The Chair must be the judge of whether repetition is tedious.

Mr. Foot: And a very good judge too, if I may say so.

We have had these three views. I suggest to hon. Members opposite that, particularly because it is claimed that the Order makes the sanctions almost 100 per cent.-I think that that is the view of the right hon. Member for Preston, North, if I am quoting him correctlyif the House is being invited tonight by the Government to make these sanctions 100 per cent., this is surely an occasion on which those who are opposed to the policy of sanctions should express themselves. I can undertand the right hon. Member for Altrincham and Sale as he has made it clear that he thinks that these measures are purely consequential. Therefore, because he voted for one of these Orders before, he has to vote for this We understand that.

But the right hon. Member for Preston is not in that position. He voted against one of the Orders before, and, therefore, he cannot claim that he is voting for it, or passing it, or allowing it to go through by his assent, because it is consequential. He can make no such claim. However, another argument is used by the right hon. Gentleman—

Mr. J. Amery: The hon. Member stands there as a Simon Pure advocate, voting according to principle every time. He will appreciate the admiration and respect which we had for the élan and courage which he and his hon. Friends showed over Vietnam—

**Mr. Speaker:** Order. Even interventions must be related to the Order which we are discussing.

Mr. Foot: You have taken the words right out of my mouth, Mr. Speaker—

Hon. Members: Answer!

Mr. Foot: The right hon. Gentleman should not complain about—

Hon. Members: Answer!

Mr. Foot: If I were to answer-

Mr. Speaker: Order. This is a serious debate. The hon. Member for Ebbw Vale would be out of order if he answered.

Mr. Foot: I will come in a moment to the further case presented by the right hon. Gentleman on why we should not vote against the Order, but there are reasons, first of all, for my underlining why I think that it is of great importance that the House should vote for the Order.

I am very gratified to see that, from all the accounts we have had so far and despite the contradictions in their speeches, we are to have a unanimous vote of the House of Commons tonight in favour of the Order and in favour of making sanctions against Rhodesia 100 per cent. That is what we shall vote on tonight and, despite their speeches, I am very gratified to see it, for this reason above others.

The hon. Member for Barry (Mr. Gower) asked why all these measures had not been introduced at once in the first place—why we had had them in dribs and drabs and why this had not been done earlier. I understand the argument, although it is not an argument for voting against the Order. I understand that the Government originally underestimated the nature of the measures which they had to take, and I am glad that they are now proceeding to further measures.

But there are other reasons, deriving from events in Southern Rhodesia, why we should proceed with the tougher measures outlined in the further sanctions. Every day we read reports in the newspapers of measures which are being taken in Southern Rhodesia which far from weakening the resolve of the House, should intensify our resolve. Every day we read of events in Rhodesia which should fortify us in voting for the Order. I refer to the censorship being applied, to people being locked up in prison, to the introduction of fresh methods of apartheid. All these can be read in the newspapers every day.

The House of Commons is responsible for Rhodesia. That was the decision which we took immediately after the

[Mr. FOOT.] declaration of U.D.I. We took full responsibility for all citizens of Rhodesia on to the shoulders of the House of Commons. When we see events happening in Rhodesia intensifying the Fascist State there, we have every right to proceed with Orders of this nature to make sanctions complete. It is all very well for the Opposition Chief Whip and other hon. Members opposite to shake their heads. Most of the leaders of Rhodesian opinion are in prison. The representa-tive of the Opposition Front Bench who went to Rhodesia has not been allowed to see the leaders there. Whether he asked to se them we do not know.

Mr. Speaker: Order. The hon. Member must get back to the Order. There will be opportunities to debate the other issues on other occasions.

Mr. Foot: I understand that. We are looking forward to the return of the right hon. and learned Member for Wirral (Mr. Selwyn Lloyd) so that we may have a full debate, particularly in view of the reports which have appeared about what the right hon. and learned Gentleman has been able-

Mr. Speaker: Order. The hon. Member is already doing what I asked him not to do.

Mr. Foot: In that case I apologise.

I conclude by dealing with one other point to which the right hon. Member for Altrincham and Sale referred-and this must be in order, because the right hon. Gentleman stressed it strongly. He agreed, as we all agree, that we cannot discuss the full objective of the Government's policy, but we are entitled to discuss whether this Order contributes by its effectiveness or ineffectiveness, whichever may be argued, to the achievement of this policy and whether this Order helps to carry forward the policy which has been enunciated by the House and spasmodically supported by the whole House.

The right hon. Gentleman referred to this matter, particularly, and first of all criticised the Order-although he does not intend to vote against it-because he said that it might be ineffective. He did not produce any argument to support the suggestion that it might be ineffective. Indeed, the right hon. Member for

Preston, North (Mr. J. Amery) appeared to object to the Order because he thought that it would be effective. That is a further contradiction between the two right hon. Gentlemen opposite. It is no good the right hon. Member for Altrincham and Sale (Mr. Barber) shaking his head. He said that he does not believe that the Order will contribute to the policy of conciliation which he believes must be the primary purpose of the sanctions and of the Orders which the House passes. It is no good the right hon. Gentleman shaking his head. He certainly made a comment of that nature.

(Exports and Imports)

I will quote to him a greater authority than himself, an authority which possibly he will accept, to show that conciliation can mean very different things. It may be said that it can be forwarded by such Orders as this, but before conciliation there is another proposition with which we must proceed.

"The first is this. Majority rule for the Africans must be certain".—Official Report, 21st December, 1965; Vol. 722, c. 1994.]

That was the view expressed by the right hon. Gentleman the Member for Kinross and West Perthshire (Sir Alec Douglas-Home) last December—at the time when were were pursuing a policy from which we are supposed to have departed now. That is why it is impossible to have the kind of solution suggested by the right hon. Member for Attricham and Sale; because Mr. Smith will not have it.

There is, therefore, no other course for the House but to proceed with a full policy of sanctions, of which this Order is an essential part. We must make sure that it is known throughout Africa, and in the United Nations, that we are determined to carry it through and that we will not be deflected from doing that by any faint hearts on the benches opposite. It is gratifying—remembering that many other measures may have to be taken later—to me and to many of my hon. Friends to think that we are to have an absolutely unanimous vote tonight in favour of the Government's policy towards Southern Rhodesia.

11.12 p.m.

Viscount Lambton (Berwick-upon-Tweed): I intend to speak for approximately two minutes and I may surprise The Attorney-General said that these sanctions were required for two purposes. One was to deal with the speculator. In so far as they are designed to do that, they are misconceived and ill-drafted. I will point out to him

The speculator who wishes to speculate in tobacco in the hope of making a "killing", as my right hon. and learned Friend put it, when the present emergency comes to an end, does not buy that tobacco with the intention of exporting it. He does not make or carry out any contract for exportation or importation. He does not make or carry out any contract for the sale of the product which he intends, or has reason to believe another person intends, to export. He does not intend to export, and no one else intends to export it. What he intends to do is to hold it in store, probably on the farms, maybe in warehouses, and then when the emergency comes to an end, send it to the tobacco auctions in the ordinary way. There is nothing in this Order to prevent him. There is nothing in this Order which makes that illegal. If that is the object of the Order,

The second object which the Attorney-General puts to this Order is to deal with the situation of contracts entered into by citizens of countries who have been requested by their Governments not to trade with Rhodesia, but have not been forbidden to do so since the law, as in America, makes it impossible to forbid such contracts, and they are therefore in the difficult position that they may be sued if they do not execute the contracts. Therefore, this Order is to make illegal these contracts, and to allow those contractors in America, or wherever it may be, to escape any consequences of following the advice that has been given to them by their Governments.

the Order fails to that extent.

I see that as a purpose, and if that is the purpose, why is it served by creating a criminal offence for Rhodesian citizens? We can make these contracts illegal without providing and setting out a criminal sanction involving two year's imprisonment. After all, I have always understood that one of the first rules which we consider when we deal with criminal legislation is not to make crimes when we are not in a position to enforce the criminal law we are making.

the House by sticking closely to the subject matter of the Order. I have no desire to divide either side of the House on this issue, which seemed to be the whole purpose of the hon. Member for Ebbw Vale (Mr. Michael Foot).

If there is any point at all to these restrictions on imports and exports, it is to bring the Government of Rhodesia down. Otherwise, they have no purpose or point whatever. Therefore, the question which we must ask ourselves tonight is whether they will or will not succeed. In the event of their succeeding no better than the other sanctions which have been placed on that Government, the sole effect of them will be to further solidify the opposition of Mr. Smith and further to sever the chance of eventual settlement and compromise. Is that the sort of purpose for which any hon. Member could have wished?

Is it sensible at this time to try to drive even further away from possible co-operation a Government which are already firmly settled in power? I go a step further and say that one cannot really believe that hon. Gentlemen opposite believe that these further sanctions will have a positive or actual effect. It is nonsensical to believe that they can. One must look on them in the light of them being part of an eventual programme of Her Majesty's Government towards the eventual use of force. I think it extremely possible that after these sanctions have been applied, right hon. Gentlemen opposite will say, "We have tried everything". Then-

Mr. Speaker: Order. I do not dissent from a word the hon. Gentleman says. The possibilities which he seeks to describe may indeed be possible, but they cannot be discussed on this Order.

Viscount Lambton: Forgive me for transgressing, Mr. Speaker. I have tried hard to remain in order. It seemed to me that it would be in order to discuss the outcome of the Order, otherwise it is almost impossible to say virtually anything. I will merely say that the Order can have no result unless it is part of a programme designed by the Government to end in force.

11.14 p.m.

Mr. R. T. Paget (Northampton): I propose to make a speech which, I hope, will be strictly in order.

[Mr. PAGET.]

Here, in Article 1(4,b) we are making a crime for Rhodesian citizens of something which we are not in a position to enforce, and which we very well know will not be observed. Nobody in Rhodesia who is exporting or importing will pay the slightest attention to this provision—we all know that very well. Why, therefore, make it a criminal offence? Why make a crime of something which we know we cannot prevent? It is wholly unnecessary, if the object is simply to make the contract illegal so that American contractors can escape from their contract.

I believe that if there is a respectable object for sanctions, that respectable object is to bring people to the negotiating table; to bring them to the mood in which they will concede those points which one wishes them to concede. Does one do that by making the people whom we are trying to negotiate with criminals?

We began by talking about treason. In my view, and I expressed it at the time, treason as a peacetime offence has been obsolete for 250 years. Having talked about treason, now the Prime Minister, who acknowledges it at least in his capacity as a party leader, is willing to deal with Mr. Smith who is the arch traitor. This is the sort of nonsense we get into when we create fictitious and imaginary criminal offences when we know perfectly well that we cannot enforce the law and no one will seriously imagine that it will be enforced against people in Rhodesia. Why, therefore, stick this sort of nonsense into an Order of this description?

If we are serious in this matter, and remember, this is a very, very serious matter, this is a tragedy in Rhodesia—[An Hon. Member: "Who is responsible?"] I am not going to argue who is responsible; I happen to think that there are faults on both sides. There are very few quarrels in human affairs, or between husband and wife, in which there are not faults on both sides. Whatever may happen here, this is a tragedy. Our object, and all our objects, in all conscience, should be to bring it to an end. Does this creating of artificial crimes, wholly unnecessary for the

alleged purposes of the Order really contribute to bringing this tragedy to an end?

11.22 p.m.

Mr. Evelyn King (Dorset, South): However sharp may sometimes seem to be the differences between us, I always try when I can to begin with that which joins us. I offer one remark, at the risk of being out of order. May I make a distinction between the aim, I hope, of us all and the means we seek to enforce that aim? I am sure that the vast majority of hon. Members of all parties seek to ensure for Rhodesia African advance, educational and economic, and ultimate African majority rule. On that we are united; that is the aim.

I honestly hope that hon. Members will take this debate seriously. Where we begin to debate and differ is on the means we shall use to achieve that aim. This debate on sanctions is about means. I have always greatly admired the Attorney-General, but his language sometimes-as, indeed, all legal languageis so soporific that one forgets in the end the precise meaning of that language. He referred to sanctions, or additional sanctions. I would rather refer to the word "punishment", because that is the honest meaning of the word "sanctions". What we are seeking to do is to impose upon Rhodesia, and to impose indiscriminately, punishment by means of poverty, unemployment and distress.

Those are the words I should have liked to have heard the Attorney-General use when he introduced this Order, because that, beyond any argument, is what we are seeking to do. Let us begin by acknowledging that that, at any rate, is a horrible thing to have to do. From the tone of speeches in this House, that has too seldom been acknowledged. If that is so, the question to which we must address ourselves is this. Are these means effective? These Orders are expressed to be carried out in economic terms, but, in fact, the problem is not economic; it is psychological. I used the word "punishment". The Government have set out to punish a small nation. Usually in history the punishment of small nations has not been successful, but that is what the Government have set out to do.

Mr. Speaker: Order. I am listening to the hon. Gentleman with care. He must now narrow his speech towards the Order.

Mr. King: Surely the Order is a punitive one, Mr. Speaker. I have, therefore, sought to argue that the effect of the Order will be punishment.

In considering whether we shall support punishment we must consider the effect of punishment. Punishment can have two effects. It can cause the person or the nation punished to yield. That is what hon. Members opposite hope will happen. Will they not accept, also, that the effect of punishment, whether upon a nation or upon an individual, can equally be to make that nation more obdurate? This is the point which hon. Members opposite have failed to pay attention to in our discussions on sanctions.

To describe the Rhodesians and Rhodesia in a single sentence, they are charming, their country is delightful, and their problems are insoluble. Let no hon. Gentleman think that by means of this Order or by any other means we shall in the foreseeable future-months or yearssolve their problems, because we shall not. But we may amelioriate them and there is one diplomatic exercise in which we ought to engage. As hon. Members will know, I have recently been to Rhodesia. I was most interested to talk to those who are commonly called "liberals"—Sir Humphrey Gibbs, Sir Hugh Beadle, Sir Robert Treadgold, Evan Campbell, the Editor of the Rhodesian Herald and a number of others of that type. If the Government are to have any hope of solving this problem, that is the group of people, and the only possible group of people, to whom these measures must appeal.

I condemn the measure, because I am utterly convinced, not that Mr. Smith's opinion of it is of any consequence, but that it will make it more difficult, and, indeed, may make it impossible, to deal with the only other section of European opinion with which ultimately Her Majesty's Government must deal. That is the true nature of the criticism against this Measure.

Mr. Christopher Rowland (Meriden): Would the hon. Gentleman say in what peculiar way this Order is more severe than the previous Orders applying to tobacco and sugar?

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Mr. King: I have already been rebuked by Mr. Speaker. The hon. Gentleman is tempting me to discuss other measures. I should dearly love to do so, but I must confine myself to this one. My point is that an additional punishment of this kind is a wrongful diplomatic exercise. Indeed, if I am allowed to refer to it, which I am sure I am not, the statement of 25th January was the most foolish statement which could have been made, not because it offended Mr. Smith-

Mr. Speaker: Order. We are getting away again from the Order, and the hon. Gentleman must know that he is getting away from it.

Mr. William Baxter (West Stirlingshire): I understood the hon. Gentleman to say that he was opposed to the Order. Will he therefore be voting against it?

Mr. King: That question has been put many times. I can only reply, as has been said before, that the Order by itself is of very little consequence. It is an additional 5 per cent. on what has been done already. My criticism falls not only upon the Order, but-if I am allowed to say so, Mr. Speaker-upon the whole policy of which this is an insignificant part.

I have sought to show, with as much precision as is possible in these difficult circumstances, the reasons for that. I am utterly convinced that an attempt to weaken an opponent-and measures such as this are attempts to weaken Mr. Smith—is an expedient which may be allowed. In so far as the effect of this Order or of similar Orders or of other statements is to humiliate a nation, the Government may defeat the purpose which they have set out to achieve.

11.30 p.m.

Sir Harry Legge-Bourke (Isle of Ely): I am grateful to my hon. Friend the Member for Dorset, South (Mr. Evelyn King) and the hon, and learned Member for Northampton (Mr. Paget) for bringing the debate back to the seriousness which befits the subject which we are discussing. I should have thought that all of us would recognise that what we are doing tonight is to complete a design [SIR H. LEGGE-BOURKE.] which, both in its part and in its whole, is something thoroughly distasteful to have to design at all.

The Government know perfectly well that, in so far as I have been able to bring myself to do so, I have supported the principle of sanctions because, in the light of what had happened, I did not see what else could be done, but any hon. Member who imagines that this Order is a mere frill round the design that has already been drawn has not read the Order.

I ask the House to look at the Order again. This gives complete power to the Secretary of State to say whether anything should be imported from Rhodesia or exported into Rhodesia. Let us realise, therefore, straight away, that we are making it quite clear that unless the Secretary of State likes to select certain things, nothing can come into this country from Rhodesia and nothing can go out from this country into Rhodesia, even indirectly.

I should have thought that that was a very severe thing to do, even if it is only filling in the final part of the design. It is a complete blackout, so far as we are able to bring about a blackout, on any trade between Rhodesia and Britain. Surely, that is a very severe thing to do, and none of us should attempt to under-rate its gravity, whatever has been done before.

One of the things that puzzles me is the timing of this Order. In being asked to accept sanctions in principle I think the House would have expected that, with the crisis building up the way it did before U.D.I., the Government had prepared the ground completely to take the steps which they thought would be necessary when U.D.I. was declared. Yet we have, first of all, some fairly gentle sanctions, except on tobacco. Then we went to oil sanctions and now we have this Order which is the completion of the blackout. I ask the Government to tell us why they have taken this in three stages instead of doing it all at once. It seems to me that they must have had time to prepare the whole programme before U.D.I. was declared. They have implemented whatever they had prepared in stages since then, and I do not under-estimate the gravity of this final stage.

Was the Government's policy to be gentle in the beginning in the hope that those in Rhodesia would see the light, then intensify that with oil sanctions, and then finally complete the picture when they found that oil sanctions were not working as well as they had expected? Was that the plan? There has always been a case for saying, whether it be military or economic action, that the best chance one ever has of making what one intends to do work is to do one's damnedest right at the beginning. Many wars would have been greatly shortened if nations had adopted that policy. Perhaps some nations would have been deterred altogether if they had known what would happen.

In this case, however, after all the rumblings beforehand, after all the threats, which came from my right hon. Friends when in Government as well as from the present Administration—I have never attempted to run away from that one—about the consequences of U.D.I., why, when those warnings were flouted, was the full force of sanctions not made abundantly clear at the start? If that had been done, perhaps by now the situation would not have deteriorated as it has.

First, then, why have sanctions been timed in this way? Why did we not have this Order along with the others we have already approved?

The Attorney-General made no attempt, as far as I can see, to explain why the following words should be in Article I:

"Except so far as may be authorised by regulations of the Secretary of State . . ." and

"Except so far as may be authorised as aforesaid . . ."

Secondly, then, what have the Government in mind to except? We are entitled to be told. Or are they looking ahead to an attempt to ensure that, if they have overlooked anything, it will not matter whether it is shipped in to Rhodesia or not because the Secretary can make the appropriate regulation?

Thirdly, what have the Government in mind in Article 1(3,b)? There are many ways in which manufacturers in this country might still get into Rhodesia. One way could be for a manufacturer to have an agent in South Africa shipping his product to Rhodesia via South Africa.

The agent thus operating may or may not be covered by Article 1(4,a), (b) or (c). What have the Government in mind on how they propose to implement Article 1(3,b)? How are they to identify these people?

Further on, Article 2(4) says that

"... proceedings for an offence against this Order may be taken, and the offence may for all incidental purposes be treated as having been committed, in any place in the United Kingdom where any person charged with that offence is for the time being.

Article 2(3), however, states that the proceedings have to be initiated

not later than twelve months from the date on which the person charged first enters the United Kingdom after committing the

How is this to be administered? How is it to be enforced? It is essential that these things should be known because, if we are not careful, we shall make it possible for some British companies-and these may be some of the speculations the right hon, and learned Gentleman has in mind-to change their agent in South Africa so that goods can be shipped through by a person not covered by Article 1(4). There are all sorts of loopholes in the Order and we want to be certain from the Government's answers tonight that they have thought out these matters and intend to say loud and clear what they propose to do to enforce the Order. The Attorney-General did not say very much about

I have long felt that, once the House decided that sanctions were the right policy, the only hope was to complete the whole design, or we had better not start the thing at all. I very much question the timing and the separation of one Order from another. But, having said that, I must support the Order, subject to receiving the answers for which I have asked, because to have sanctions and not to complete the picture is inviting evasion of the sanctions as a whole.

We are still entitled to say that if the Government want support for this Order, or Orders of this kind, or for the series we have had, they must stop altering the objective on the way to the completion of the job. That is what has tended to happen. It is no good saying at one moment that we want reconciliation and at the next that we want to bring Mr. Smith to his knees. There must be consistency and I hope that the Attorney-General will be able to re-establish some consistency, because at the moment there seems to be a drift, if not a reversal, of policy.

11.42 p.m.

16 FEBRUARY 1966

Mr. Jeremy Thorpe (Devon, North): The hon. Member for the Isle of Elv (Sir H. Legge-Bourke) very fairly and properly referred to the thunder, not only from the present Government, but from their predecessor, prior to U.D.I. and asked why it was that the Order was brought in at this stage and why all these Orders were not brought in earlier than they were.

It is for Her Majesty's Government to answer that question. I merely suggest, in passing, that one of the reasons is that the contingency planning about this operation has been wholly inadequate and that it has taken the Government a very long time to catch up with the emergency and face it. It would be out of order to refer to the time which it took to put a radio in the Governor's house and to set up a radio station in Bechuanaland and do many other things, but the delay to which the hon. Member for the Isle of Ely has very properly alluded is attributable to that fact.

We have heard a lot of thunder against the Order from hon. Members on this side of the House and from the hon. and learned Member for Northampton (Mr. Paget). They have one thing in common—they all voted for all the previous measures, with the possible exception of the oil sanctions. This Order is introduced pursuant to the enabling Act, the Southern Rhodesia Act, 1965, for which the whole House voted and from which flowed the tobacco sanctions. for which the whole House voted, the sugar sanctions, on which there was unanimity, the reserve bank powers and the oil sanctions, in respect of which there was some little local difficulty on the Opposition side.

But tonight these hon. Members are united, because at the moment they are going through the theatrical enjoyment of "Waiting for Selwyn" and no doubt he will tell them what his view of the Order is when he gets back and they are reserving their judgment of the Order and will not oppose it because they wish to have the Ark of the Covenant

[MR. THORPE.]
revealed. They will no doubt congratulate the right hon. and learned Member for Wirral (Mr. Selwyn Lloyd) on choosing to go out in a season which was not the rainy season and, unlike Neville Chamberlain, omitting to take an umbrella with him. We shall know how he feels.

Mr. Deputy Speaker (Sir Samuel Storey): Order. The hon. Gentleman is getting rather wide of the Order we are discussing.

Mr. Thorpe: Perhaps the greatest and most worthwhile measure of support for this Statutory Instrument will be that which the right hon. Gentleman the Member for Streatham (Mr. Sandys) has told us he is to give tonight. He has not only said that these measures are ineffective to appease African nationalism, but that they will solidify European opinion. We know that he is as anxious as anyone to bring down the present régime and see that constitutional rule is restored.

Mr. Deputy Speaker: Order. We cannot discuss that on this Order.

Mr. Thorpe: What we are discussing is the last 5 per cent. or 10 per cent. of what will become a total trade embargo. This Order will succeed in two respects and it may fail in one other because it is unenforceable. First, it will cause those who seek to profit from the present economic situation in Rhodesia to pause. It will cause one British firm, which is at this moment trying to negotiate to buy ferro-chrome through the medium of a Luxembourg firm, to pause and think again, because it may be committing an offence and it may be involving its employees in being middlemen and therefore in committing an offence.

It may also cause a gentleman in South Africa who is outside the jurisdiction of this Order, and who is hoping to buy tobacco at a knock-down price and sell it on the Dutch market before the Dutch Parliament bring in the necessary legislation, to pause and think before he involves other people in what may constitute a criminal offence.

It may also cause him to realise that if the contract has not been finalised during the currency of the present illegal régime, any agreement which he may have struck would be subsequently unenforceable in the courts. It may also cause the State Corporation of Hungary to pause before it, too, tries to buy ferrochrome through a third party, which is, under the terms of this Statutory Instrument, subject to the jurisdiction of it.

Sir Frederic Bennett (Torquay): Why? Why?

Mr. Thorpe: The hon. Member asks why, and, thinking that I have not heard his intervention the first time, asks again. I will tell him why.

It is because as a result of this Statutory Instrument the normal enforceability which would flow from agreements, both as to delivery and payment, is no longer guaranteed by the courts. Therefore, if the view is taken that the future existence of the present régime is uncertain, and may either be in terms of weeks or months, there is a new element of hazard involved in the financial transaction, which may well cause a business man, even a State corporation—because sometimes they have business acumen—to pause and ask whether this is a safe economic proposition to pursue.

We do not know whether all these considerations will affect Angola, which is at present seeping oil over the border, and whether the same will happen—

Mr. Victor Goodhew (St. Albans): And Zambia.

Mr. Thorpe: Perhaps the hon. Gentleman has not realised that Zambia is not covered by this Statutory Instrument and that it is a loyal member of the Commonwealth, which we are proud to support.

Mr. Goodhew: I was making the point that oil was seeping over the boundaries from Zambia to Rhodesia in return for coal. Perhaps this is something which the hon. Gentleman has not realised?

Mr. Thorpe: The hon. Member makes a very grave charge indeed if he is suggesting that the Government of Zambia, or, alternatively, agents acting with the knowledge of the Government of Zambia, are responsible for the export of oil, from whatever source, to assist the Rhodesian economy.

I concede at once that there may well be black marketeers. There are from every country. We have had experience of them even during time of war in this country. I am, however, sure that the hon. Member, loyal supporter of the Commonwealth that he is, would be the last to suggest that Zambia is deliberately seeking to profit from a black market the object of which is to get round the sanctions.

Rhodesia

Mr. Goodhew: I was suggesting, in particular, that it was unfortunate that when Great Britain is trying, apparently, to prevent oil from getting into Rhodesia, oil which is sent from this country, at great expense to the taxpayer, through Zambia should find its way to Rhodesia. That seems to me to be rather nonsensical.

Mr. Thorpe: If the hon. Member is deploring any element of ineffectiveness in sanctions against Rhodesia, I whole-heartedly agree with him and I support him is every measure possible to make them as effective as possible against the rebel régime. No doubt, if there is a seepage through Zambia, he will regard it as his duty to make that information known to the Zambian authorities. I have no doubt that his views will be treated with the attention which they deserve in Zambia and that the President will be grateful to hear what his views are on that matter.

There are two matters in the Order which we should realise. First, in seeking to prohibit exports from Rhodesia, we must recognise that this is an expression of intention which is not likely to be enforceable in the criminal courts. This is not the first time. The precedent is not a very happy one. I suppose that the last occasion was the passing of the convention against genocide, which, we knew, was not enforceable, but was an expression of the sort of legal action which we intended to take in the future and in which the Attorney-General played a distinguished part in one of the trials.

The other matter which is a little unfortunate in the Order is the wide phraseology in paragraph 1 (3,b), to the effect that a person commits an offence who assists in the export or the manufacture of any product which he "has reason to believe that another person intends to , . . import into Southern Rhodesia".

This is a very wide term and offence, and I hope that the Attorney-General, or the Solicitor-General, will tell us a little more about it.

Sir F. Bennett: A few minutes ago, the hon. Member appeared to be against casting even slight doubt upon the effectiveness of the Order, which point I queried, concerning the State Corporation of Hungary. Is he addressing his remarks also to the dubiety of whether it would apply in that case?

Mr. Thorpe: I will gladly give way to the hon. Member again and I will gladly answer his question. I have not exactly grasped the purport of what he said.

Sir F. Bennett: I was merely trying to point out that a few moments ago the hon. Member appeared to think that the Order would be extremely effective even against gentlemen in Hungary. He now appears to be casting doubt upon exactly the same premise as he asserted earlier. How does he reconcile his two attitudes?

Mr. Thorpe: I shall be glad to clear up an obvious misconception on the part of the hon. Member. First, I believe that the Order will have the effect of causing persons who intend to trade to pause and think before doing so, because they might well be entering into an agreement which they would subsequently find unenforceable. That was the first limb of my argument. I think that I would take the hon. Gentleman with me on it.

The second point which I made, which was totally different, was that we are creating for the first time certain new criminal offences and that one of those offences is not merely exporting, or causing to be imported into Rhodesia, material or products, but participating in either the manufacture or export of any matter while having "reason to believe" that another person will import it into Rhodesia.

I was merely making the comment that I think that this is a very widely drawn phrase, and it is one in respect of which I am not altogether happy as a lawyer, because I believe that when we are drawing the limits of criminal

[Mr. THORPE.] liability they must be easily definable and must be clear. I am merely suggesting that this is a very wide extension of criminal liability. It may be that the

Law Officers will be able to say something about that in a moment. I was merely suggesting-I hope I take the hon. Gentleman with me on this-that this is a very wide extension indeed of

criminal liability.

Those of us who, I think, represent the whole House, with a small exception, and who have supported sanctions so far have done so because, first, we recognise that the stupidity of Mr. Smith's action must be brought home to people in Rhodesia, and expressed in economic terms; and secondly because we are anxious at all costs to avoid bloodshed. I ask myself; how effective will this Statutory Instrument, in particular, be? Clearly, it is unenforceable over exporting goods from Rhodesia itself. I may be wrong. It may well be that we shall see a spate of prosecutions.

I am quite certain of one thing, that any cases brought before the courts in Rhodesia will be fairly and honourably tried in accordance with the judicial system which is one of the greatest institutions in Rhodesia today. The in-tegrity of the judiciary is without question. The question is, however, how these matters would be brought to the courts, who would be the prosecutor, who would appear in the role of the D.P.P., whether they would be private prosecutions. That is another matter. but I doubt whether we shall see many prosecutions under this head.

What I would suggest to the Government is that these Orders in themselves and this as much as the others-are not likely to have the full economic effect which the policy behind these Orders seeks to achieve, unless we have a Chapter VII resolution, a resolution in the United Nations, to back them up. I think that this is relevant to this Order. would merely say to the Government that I do not accept the logic that because we invoke Article 41 we have, logically, to invoke Article 42. They are totally separate, and both are subject to the veto. We should make clear we put forward a resolution under the first, and are opposed to the second. I do not accept the suggestion that we cannot proceed under

Article 41 because its application would lead to application of Article 42.

(Exports and Imports)

This Order is the logical extension of the other Orders for which the House has voted in pursuance of the policy of a bloodless settlement of this dispute. What negotiations may take place, in what circumstances, at what time are outside the debate on this Order. doubt, we shall have other opportunities to debate them. But once we have willed this policy of using economic pressures to cause a return to constitutional rule, then in my submission it is logical that we should vote for this Statutory Instrument tonight, and I hope we shall do that with unanimity among hon. Members on both sides of the House.

Mr. Charles Doughty (Surrey, East): At this comparatively late hour, I do not propose to repeat a lot of the arguments that hon. Members have already put forward.

This is a very sad debate, and it is most unfortunate that we have to discuss measures of restriction against one of the greater countries of our Commonwealth. It is for that reason that I regret very much that the spirit with which we are so accustomed from the hon. Member for Ebbw Vale (Mr. Michael Foot) should have been used to its full tonight in saying the things that he did about the people who have gone from this country and other countries to Rhodesia, some quite recently and some quite a long time ago.

I have said before, and I said it to the Prime Minister, that when we discuss these matters we want to keep a very reasonable calm, because, at the backs of our minds, the objects of this type of Order must be that we can meet face to face with the people in that country. No puppet Government can do that. They must be people who can speak for the inhabitants of Rhodesia. [Hon. Mem-BERS: "All of them?"] All of them, and there are no people who are so contented and so happy as the coloured people of that country and none support the Government more. [Hon. Members: "Oh."] If hon. Members disagree with that, all that I can say is that they are completely out of touch with events in that country.

We have to get down to discussions with the people there. If the Order assists in that, then let it be supported. But the stupidities that can follow from this type of Order are well illustrated in a case that I wish to bring to the attention of the House.

I know of a British subject, resident in Rhodesia and, I believe, married to a Rhodesian, who has come here and is unable to live on her own money, properly paid in dividends, but blocked in this country. As a result, we are paying her £9 9s. 10d. a week National Assistance, not a penny of which would she require if she could use her own money for her own purposes in this country. That is the type of thing that we have come to by passing this type of Order. The whole matter needs looking at very carefully. [Interruption.] I am afraid that a number of hon. Members opposite, making very uncalled for noises, did not hear what I said. I will repeat it.

A British subject with funds in this country, resident in this country now, is unable to draw those funds. We have to pay her £9 9s. 10d. a week National Assistance, because she cannot touch her own money for her own purposes here. If that is not nonsense, what is? [An Hon. Member: "Charge it to the Law Officers."] I shall not ignore such interruptions. It shows that hon. Members opposite do not mind spending public money for that type of stupidity.

Mr. William Hannan (Glasgow, Maryhill): Is the hon, and learned Gentleman aware that, in just the opposite way, there are British citizens who now wish to come back from Rhodesia because of the Smith régime and who cannot recover money for the homes and businesses that they have sold in Rhodesia?

Mr. Doughty: The particular case that I have cited is just the other way round, because the letter which I proposed to read says that the Rhodesian Government are more sensible because they have allowed a certain amount of money to come over here.

I entirely disagree with the hon. Member for Devon, North (Mr. Thorpe) when he says that the Order will make clearer the position of people who propose trading with Rhodesia. It will do nothing of the sort. Those who have drafted the Order must be totally unaware of the

way that trade is done. Certainly, people will not trade directly with Rhodesia. If people wish to buy wheat, or whatever it is, they send to trading firms abroad. They do not ask where it comes from. They ask about the quality, the price, and matters of that sort, and that is not covered by this Order. If these sanctions last for too long, other countries will not enforce them for us.

Mr. Thorpe: The hon, and learned Gentleman is much more versed in the law than I am. He has said that this will not deter any firms from buying, that they will go through their subsidiaries.

Mr. Doughty: I did not say anything of the sort.

Mr. Thorpe: The hon, and learned Gentleman said—he will correct me if I am wrong—that those who were aware of commercial practice ought to be aware of the fact that firms which now cannot buy directly will buy from subsidiaries.

Mr. Doughty: I said nothing of the sort.

Mr. Thorpe: I heard the hon. and learned Gentleman say that, and many hon. Gentlemen opposite agree with me. Perhaps he will correct me if I am wrong. The hon. and learned Gentleman will see that Article 1 (3,b and c) deals with indirect purchases from Rhodesia, so the liability continues.

Mr. Doughty: Let me correct the hon. Gentleman. I never used the word "subsidiary". I said that they buy from other countries and firms, and that they are not concerned with where the object comes from. They are concerned with quality and price. I did not use the word "subsidiary". I am well aware that if a person believes something to be an offence he may commit one if he does it, but if he does not ask, he does not know. He merely asks what is the price, and what is the quality. I never said the word imputed to me by the hon. Gentleman, as he will see from Hansard tomorrow, and I ask him to read it.

These sanctions are unenforceable except and insofar as they relate to trade between this country and Rhodesia. They will not be supported for very long by other countries. Sanctions never work in peace time, and other countries are

[Mr. Doughty.]

not interested in supporting them for long. We trade with Cuba, although the Americans ask us not to do so, and undoubtedly a similar position will arise with other countries as well.

The sooner we can get the negotiations going, and the sooner we can get a settlement of this whole unfortunate matter, the better. These Orders may bring the Rhodesians more into line, and make them more ready to talk, and it is for those reasons that I support this Order. [Hon. Members: "Oh".] But let it be clearly understood that I support it not for the purpose of bringing Rhodesia down to a state of chaos-I do not want that, but many hon. Members opposite seem to-but so that when the negotiations take place the Rodesians may be in a more negotiable frame of mind, and so that we may bring to an end what is a most unfortunate, a most distressing, and very sad state of affairs within the British Commonwealth.

Let us remember that when we negotiate, points have to be given away on both sides, not on one side only, and I hope, therefore, that these negotiations will soon take place, and that this Order, and others which have gone before it, may be scraps of paper within a very short time.

12.9 a.m.

Mr. Peter Bessell (Bodmin): I am very grateful to have the opportunity of speaking on this Order, because I think that it is important for us to consider precisely what effect this will have on the situation which exists in that tragic and unhappy country of Rhodesia.

There is one matter on which there is agreement between both sides of the House, and it is that legal government must be restored in that country, and that any and every step which is necessary should be taken towards that end. It is true that, after the unilateral declaration of independence, Her Majesty's Government imposed a number of sanctions, of which this Order is a continuation, and which had my wholehearted support-as, indeed, they had the support of the vast majority of right hon. and hon. Members. We all agreed that the Orders and the sanctions were necessary to ensure that the rule of law should be upheld. Of course, it is intolerable to this House that we should ever allow a situation in which that rule is broken.

However, we must consider whether this is the right moment at which to strengthen the sanctions which we have so far imposed. As I have said, there were special considerations which caused the House to decide to impose the original sanctions. I believe that there were secondary considerations, which can be applied to this Order as well, namely, that there shall be ultimate African majority rule in Africa, that racial discrimination there shall end, that a proper standard of living shall be provided for all the peoples, that a full educational programme shall be inaugurated and that the rights of minorities, of Europeans or-

Mr. Deputy Speaker (Sir Samuel Storey): The hon. Gentleman is widening the debate. He must come to the Order which we are discussing.

Mr. Bessell: With great respect, Mr. Deputy Speaker, I was merely seeking to point the reasons why I believe that sanctions were first imposed and why this Order is required by Her Majesty's Government. This point has been made by several previous speakers and I am merely repeating what they have said, but in a slightly different form—

Mr. Deputy Speaker: Order. That is no excuse for the hon. Gentleman getting out of order.

Mr. Bessell: Very well, Mr. Deputy Speaker, I accept your Ruling.

I believe that the Order, like every other sanction which has been imposed by the Government, will be effective only if it has the support of every other country which trades with Rhodesia, and we have to be certain that the Order will be as effective as other sanctions have been. The Attorney-General gave no indication tonight that any other country is prepared to support us in this measure.

Until we can be certain of that, we cannot be certain what the effect of the Order will be upon the climate of opinion, both African and European, in Rhodesia itself.

Mr. Kenneth Lomas (Huddersfield, West): It seems that the hon. Gentleman

is making the great error of not appreciating that there is an entirely different link between this country and Rhodesia, and that of Rhodesia with any other nation in the world, that Rhodesia is part of the Commonwealth. As a consequence of that, we have a special responsibility to Rhodesia. Surely, because we recognise that a treasonable act has taken place in Rhodesia, this Govern-ment are entitled to take all Measures they can, including this Order, to ensure that they return to constitutional government as early as possible.

Mr. Bessell: With great respect, that was not an intervention; it was a speech. I assure the hon. Gentleman that I was aware that Rhodesia is a Commonwealth country. I have just been there, and I saw the Union Jack flying everwhere I

Of course we have a special responsibility, but it has been said repeatedly from the Treasury Bench that sanctions will be effective only if they are enforced by every other country trading with Rhodesia. That is why I question the wisdom of imposing a measure on which we have no assurance that it will be supported by other trading countries.

Secondly, I question whether this is the moment to impose further and more drastic sanctions on Rhodesia, at a time when it is possible that the objectives to which the Government, the Opposition and my party are committed might be achieved by other means. It might be wise at this moment to pause and to consider whether other means are not available and whether those means should not be tried in association with the Order.

While I was in Salisbury I had the opportunity of seeing the effect of sanctions so far. I will tell the House the impression which I gained from conversations with members of the illegal régime, with businessmen, with leaders of commerce and trade unionists, with African Nationalist leaders, with those opposed to the régime, with Government officials, with the Governor, with Sir Hugh Beadle and with people in all walks of life. My impression, at any rate a month ago, was that the effect of sanctions thus far had been marginal and that the important sanction, on oil, had had no decisive effect at that stage-and there is no evidence to suggest that it has had a decisive effect yet.

If this Order, coupled with the measures taken previously, could guarantee to end the present ugly and illegal situation in Rhodesia, I should have no doubts about supporting it. Indeed, I should do so gladly. I hope that when the Government enforce the Order they will ensure that every other possible step is taken to reach a peaceful and just solution on the lines which I will try to indicate within the rules of order, which restrict me very much.

History has shown that sanctions by themselves have never worked. It may well be that this time history will be confounded. While I was in Salisbury the mood of the Smith Government was one in which they were ready and anxious to negotiate with Her Majesty's Government, and that may well have been the result of the sanctions which had been imposed up to that time.

Mr. Rowland: Would the hon. Member say whether the Smith Government were prepared to negotiate on anything other than our initial acceptance of their independence?

Mr. Deputy Speaker: Order. The hon. Member for Bodmin (Mr. Bessell) would be out of order if he replied to that question.

Mr. Bessell: This places me in a difficult position, because I may not answer the question. The Chair has ruled that I may not do so. I suggest that the hon. Member was well aware when he asked the question that that would be the ruling of the Chair. [Hon. Members: "No."] I leave the House to judge that for itself. The Smith régime is anxious to bring an end to this impasse. If sanctions do not work-

## Mr. Eric S. Heffer rose-

Mr. Bessell: I will not give way. am not going to be asked questions which because of the rules of order, I cannot answer.

Mr. Rowland: On a point of order. Is it in order for an hon. Member to provoke questions which one cannot then ask?

Mr. Deputy Speaker: That is not a point of order.

Mr. Bessell: If the Order can be enforced and if, at the same time, there can be an attempt at negotiations—a means of bringing this tragedy to an end—the Order and those negotiations would, I am sure, have the support of all hon. Members. Is it possible for this to happen? It is not possible for Her Majesty's Government to negotiate direct with the illegal régime. That would be unconstitutional. It is not possible for Mr. Smith to negotiate through the Governor. But there could be an intermediary—

Rhodesia

Mr. Deputy Speaker: Order. The hon. Member is again getting away from what we are discussing.

Mr. Bessell: I apologise, Mr. Deputy Speaker.

If the Order creates further bitterness -if it makes the climate more difficult in Rhodesia and here and if it does not have the support of the other countries of the world-it will not only weaken our position but it will make ultimate negotiations more difficult for us and for the illegal régime. I therefore ask for a pause. If I were asked which way I would vote tonight, if a vote took place, I would vote for the Order, but I would add this rider: that I would do so in the hope that there would then be a genuine effort on the part of Her Majesty's Government to seek a means of negotiating which would humiliate neither the régime in Rhodesia nor create an impossible constitutional situation, for such a means exists.

If sanctions do not work Her Majesty's Government will be placed in an extremely difficult position. If the Order is ineffective they will have to decide whether or not to use force, and that will be a terrible decision to make.

Mr. Raymond Gower (Barry): Is the hon. Gentleman aware that Her Majesty's Government have made it clear that under no circumstances will they use force?

Mr. Bessell: I am, but if the sanctions and this Order in particular do not work, remembering that this Measure makes the sanctions 100 per cent. effective from the legislative point of view, what then? When I was in Salisbury there was no sign of them working. What is the alternative to using force? I believe that there is an alternative, as I have said—but I

will not develop that because I would be out of order. My earlier remarks will appear in to-morrow's Official Report.

Mr. G. R. Howard (St. Ives): Has the hon. Gentleman noted the words in Article 1 (1, c) of the Order:

"do any act calculated to promote the exportation from Southern Rhodesia or the importation into Southern Rhodesia of any specified product"?

It is all very well for us to make debating points, but I am concerned about the people in Rhodesia, not only the supporters of—

Mr. Deputy Speaker: Order. The hon. Member's intervention is becoming a speech.

Mr. Howard: What will be the result of that provision on all the people of Southern Rhodesia, Africans and Europeans?

Mr. Bessell: This is a valid point for one reason, which is that if there is an increase in bitterness, in tension and in mistrust, it becomes increasingly difficult, not only for us but for the African population and for the Commonwealth to find a means of reconciling these difficulties and bring about a peaceful solution. It is a peaceful solution with which I am ultimately concerned, and it is to ensure that the measures that have been taken by Her Majesty's Government shall be effective—[Interruption.] Mr. Deputy Speaker, I hear a cry of "Seig Heil!". Is that in order?

Mr. Deputy Speaker: Is the hon. Gentleman raising a point of order?

Mr. Bessell: I heard a cry of "Seig Heil!", Mr. Deputy Speaker, and I asked whether that was in order.

Mr. Deputy Speaker: I did not hear the observation. I deprecate all such remarks being passed across the House when someone is speaking.

Mr. Bessell: Thank you, Mr. Deputy Speaker.

I am sure that what I have said may not arouse pleasure on all sides. It is now being suggested that there may be some difference of opinion between myself and my colleagues—[Hon. Members: "Hear, hear."] I do not think that there is any difference of principle, though there may be a slight difference

of emphasis. But if there is a slight difference of emphasis, neither I nor my colleagues are ashamed, and I do not think that it is wrong or improper that I should express it. It ill becomes hon. Members opposite to discuss differences of opinion when there have been so many cracks and splinters within their own party.

Rhodesia

I have asked tonight that when this Order is enforced by Her Majesty's Government, there should be a pause. If there had been such a pause when the two fatal shots were fired at Serajevo in June, 1914, two world wars might have been avoided.

12.27 a.m.

Mr. Ian Lloyd (Portsmouth, Langstone): The debate has now reached a point where for someone as unfamiliar as myself the line of order is drawn taut and narrow, so I will confine myself to just one or two points. I would first refer to an astonishing assumption that underlay some of the speeches from the other side that the political views of this House are always focused in a single beam of pure white light, when we know that there is the broad spectrum of opinion which is focused on only one requirement, and that is power. It is focused for many purposes on many occasions, but to deny that such a spectrum exists is utter nonsense.

I would confirm with all the emphasis at my command from my own experience in Rhodesia every word said by my hon. Friend the Member for Dorset, South (Mr. Evelyn King). I would refer to two specific points in the Order. The first is that it is a most extraordinary thing. It creates a form of occupational discrimination at the deliberate intent of the Government. The Prime Minister himself told us that it was the duty of soldiers and civil servants, and others in similar occupations, to carry on with their routine as best they might, but this Order states that those whose livelihood depends on economic activities-not the soldiers or the civil servants—are not to carry on with their livelihood as best they may. They are to lie down and commit economic suicide, and cut their own throats.

What is the basis of this occupational discrimination? Are Her Majesty's Government concerned with one class of citizens in Rhodesia and not with the others? I regard this as a most fundamental point, and I should like to have the Attorney-General's comments on it.

Finally, I deal with a rather more serious point. Certainly this Order creates a new class of criminal. To the extent to which it will be effective, which in my opinion will be exceedingly limited, it will create a class of criminal whom historians with a slightly longer perspective than hon. Members opposite have defined in one word only. That class has been known as "patriot", and that type of criminality has been defined in successive revolutions and rebellions as patriotism. I should have thought that the experience of the House of Commons in creating in drift places of the surface of the earth such patriotism would have compelled it to pause and to show a little humility before launching another.

12.33 a.m.

Sir Knox Cunningham (Antrim, South): I should like to make my position clear. I have never been to Rhodesia, I know no one in Rhodesia and, so far as I am aware, I have no direct financial interest in Rhodesia.

We are considering an Order in Council which will make it illegal for anyone to export from Rhodesia and illegal to import into Rhodesia. The powers are extraordinarily wide. These powers are given to the Secretary of State. This Order is in some respects retrospective and also delegates legislative powers to the Secretary of State. I do not want to go into a number of points on the Order because the hon, and learned Member for Northampton (Mr. Paget) has covered them. This Order, however, is taking us one step further into an extraordinary world, an Alice in Wonderland world. The sort of expressions which the Attorney-General has used Rhodesia on other occasions, "the dogs of rebellion" and "illegal rebellious treason" are extraordinarily unfortunate. I think that in future he may regret that he used those terms and expressions. These are the rebels with whom hon. Members on both sides of the House have discussed matters when they have gone to Rhodesia, yet this is treason which is being condemned here.

The Prime Minister said in an earlier stage of sanctions that they would not

[SIR K. CUNNINGHAM.]

be vindictive. What can be more vindictive than this Order? It is sweeping and covers everything. It delegates the powers and in this Order we have a vindictive sanction; it is 100 per cent. At the end of the road, whether it comes sooner or later, we shall have to talk with the authorities in Rhodesia. At present there is no one to talk to except Mr. Smith. I ask the Government, is that not the advice they are getting from the Governor? If we are going to negotiate with Mr. Smith, how are we going to do it? I am sorry that the Secretary of State is not in his place at the moment. He has said that it is impossible to negotiate with Mr. Smith.

Rhodesia

Mr. Ivor Richard (Barons Court): On a point of Order, Mr. Speaker. You have in the course of the evening confined the debate to very strict limits and ruled out of order any discussion of the future pattern of negotiations either with the Smith régime or any other body which might arise in Rhodesia. It seems that the remarks of the hon. Member are directly out of order within your Ruling.

Mr. Speaker: I am grateful to the hon. Member. I was being consulted at the moment and I did not hear the hon. and learned Member for Antrim, North (Sir Knox Cunningham). I hope that he will keep to the Rulings which have been given earlier. I shall listen now.

Sir Knox Cunningham: Mr. Speaker, I am grateful to you. I will simply repeat—this is the last thing I want to say in this debate—that the Secretary of State has said that he could not negotiate with Mr. Smith. Therefore, I say that we should accept the resignation of the Secretary of State.

Mr. Speaker: Order. The hon. and learned Gentleman has listened to the debate. He knows that he is entirely out of order.

Sir Knox Cunningham: Mr. Speaker, I am in the difficulty that great latitude was given to many hon. Members when you were not in the Chair.

Mr. Speaker: Order. I hope the hon. and learned Gentleman will realise that Mr. Speaker is in the Chair and is ruling. I hope, too, that invidious comparisons between occupants of the Chair will never be made.

Hon. Members: Withdraw.

Mr. Speaker: Order. I have ruled that the hon, and learned Gentleman must not pursue what he is saying.

Sir Knox Cunningham: And I accept your Ruling, Mr. Speaker, and have nothing further to say.

12.36 a.m.

Mr. Raymond Gower (Barry): I shall severely curtail what I had wished to say, because others wish to speak. Attorney-General said that the Order was not introduced prior to 20th January because the Government had not thought it would be necessary. My first question is: what reason have the Government to apprehend that this last measure will prove more effective than the measures previously introduced? Secondly, the Attorney-General said that the objective of the Order, as of earlier Orders, was the restoration of constitutional rule in Rhodesia. I hope that the Government spokesman will be able to reaffirm that the object of the Order is not to create chaos in Rhodesia, not to create famine in the land, but is, in the words of the Attorney-General, to help to restore constitutional rule in Rhodesia. If that is the Government's objective and if they can satisfy the House that this last measure is likely to achieve that result, I feel that the House may be able to give the Order its support.

12.37 a.m.

Mr. Edward M. Taylor (Glasgow. Cathcart): This should have been a serious debate on one Order, but the one thing which has struck me throughout the debate is that the only person who has taken the Order seriously has been the hon. Member for Liverpool, Walton (Mr. Heffer). It did not appear to me that the Attorney-General was treating the Order seriously. He explained its provisions quizzically and delightfully, as though he were applying for membership of the tall story club. am thinking of his suggestion that if a contract is made between a business man in Rhodesia and a foreign purchaser the foreign purchaser will have no right to the goods and the business man in Rhodesia will have no right to the money. The right hon, and learned Gentleman gave other examples.

On the other hand, the hon. Member for Bodmin (Mr. Bessell) gave a constructive example. How precisely is this provision to be enforced? For example, if the State Corporation of Hungary manages in some way or other to acquire chrome in Rhodesia, precisely how do the Government intend to settle the legal question? Will they try to take steps to have the chrome brought back? What will happen to the money which has been paid for the chrome? How will this problem and the many others which have arisen or which will arise from the Order be solved?

The Order will be impossible to bring into effect. I hope that the Attorney-General can give us one or two examples of the kind of thing which might arise from the Order and state precisely what he intends to do about them. If we are to consider the Order seriously we must consider some of the examples that could arise.

Article 3 is even more unusual. Are we to take this seriously as well? In effect it says that anyone working in Rhodesia on goods that might be exported—and almost everything produced there is exported—is aiding and abetting an illegal act and might be liable to two years' imprisonment or £500 fine. Are the Government seriously suggesting that as from 20th January all work should have ceased in Rhodesia and that nobody should do anything or sell anything? This is the implication in the Order. If we are to treat the Order seriously we must bear these things in mind.

Mr. Archie Manuel (Central Ayrshire): Will the hon. Member vote against it?

Mr. Taylor: This is why I feel that the Order is not worth taking seriously in any way. How is it to be enforced? What are the Government's intentions concerning trade and industry in Rhodesia? We have had no examples given or any satisfactory explanation. It is argued that the Order will be effective, but I fail to see that, or how it will be applied.

As for the Statutory Instrument itself, I was warned before I first became a Member of Parliament of the amount of delegated legislation that comes before the House and the amount of power

given up by the House in one way or another. On the same day as this Order No. 41 was made, we had an Order dealing with chrome made under powers contained in Article 1 of this Order. It is most unusual that today we should be discussing an Order which came into effect on 20th January and that the powers which we are now discussing were used on 20th January to bring in the chrome Order. This is a most unusual use of powers, although the enabling Bill was very wide. I feel that this Order is unusual, unworkable and unenforceable, and I do not think that anybody can regard it seriously.

12.42 a.m.

Mr. William Shepherd (Cheadle): It is worth while to intervene briefly if only to say how odd I thought was the speech of the hon. Member for Bodmin (Mr. Bessell). The strangest things happen to these eager beavers who travel to Rhodesia. I do not know the explanation. I know that Noel Coward says something about the mid-day sun, but it would be quite improper if I were to pursue this at further length.

Mr. Manuel: Interesting, though.

Mr. Shepherd: It might be interesting.

I shall support the Order, although I doubt whether it is wise to bring it forward at this time, for a reason which I shall mention in a moment. I was surprised at the other Liberal Member, the hon. Member for Devon, North (Mr. Thorpe), who seemed to query the integrity of British firms and their subsidiaries. My understanding is, and I hope that the Attorney-General will say it, that the Government have received the utmost co-operation from British firms in Rhodesia in an extremely difficult situation both for firms here and in Rhodesia.

At the risk of being slightly out of order, I must say that I was grateful for the solicitude of my right hon. Friend the Member for Preston, North (Mr. Amery), who felt rather aggrieved that we had been in trouble over voting for oil sanctions. More people wrote praising me for doing so than condemning me. In any case I am able with less risk to offend rather more of my constituents than my right hon. Friend.

I have some doubts as to the wisdom of bringing forward the Order at this

[Mr. SHEPHERD.]

time. I think that the whole process associated with sanctions has been accompanied by too much optimism and too much anxiety. I have always said that sanctions are not likely to have their effect within twelve months of their commencement. The House, the Prime Minister and the Secretary of State have made a mistake in believing that sanctions are capable of bringing about a rapid result. I have never thought this to be the case. I do not think it now. I think that it has been a grave tactical error to create the belief that this was possible.

After all, people who have made an attempt to seize something for themselves are not going to give it up without some effort to retain it. If a tug-of-war is going on, it is not surprising that both sides are pulling. It is not a remarkable situation. I hope the House will try to get away from the over-weaning anxiety to get an immediate result from sanctions and realise that this is, of necessity, a long term job and will rest confident in the certainty that the steps that have already been taken short of this Order are sufficient to achieve the purpose most of us have in mind.

12.47 a.m.

The Attorney-General: The House will not expect me at this late hour to traverse all the matters which have been raised during the debate. But I say at once to the hon. Member for Cheadle (Mr. Shepherd) that the Government recognise the loyal co-operation of British businessmen and companies in the difficult task we have had to face in dealing with the rebellion in Rhodesia, and we shall, of course, continue to consult the affected interests in any future measures that we may find it necessary to embark upon in returning constitutional rule to Rhodesia.

There are one or two specific matters arising from the Order which the House will expect me to deal with. The hon. Member for the Isle of Ely (Sir H. Legge-Bourke) asked about the power to be given to the Secretary of State to make Regulations. He wanted to know what was intended to be included in any such Regulations. The purpose of that power is to enable the Secretary of State to permit certain transactions to be carried out which would otherwise be

forgiven—I hope a slip of the tongue is permitted at this hour—which would otherwise be forbidden.

For example, it would give him power to permit the importation into Rhodesia on humanitarian grounds of a particular consignment of a specific product or permit the completion of a contract entered into in good faith before the ban, where this would not give any assistance to the illegal régime and where there would be no risk of the main object of the Order being circumvented.

It is already contrary to our exchange and export controls for British firms to export to Rhodesia via third countries. The use of a South African agent in this context is therefore illegal.

Sir H. Legge-Bourke: I thank the right hon, and learned Gentleman for answering these questions and remind him that "to err is human, to forgive divine."

The Attorney-General: To err is, indeed, human, but the House must recognise that we are dealing with rebellion. I make no apology for the language I have used in the various debates on Rhodesia. Indeed, hearing the hon. and learned Member for Antrim, South (Sir Knox Cunningham) repeat some of it, I was amazed at my moderation.

Sir Knox Cunningham: I sincerely hope that the right hon. and learned Gentleman will be amazed some months hence.

The Attorney-General: We shall see, some months hence.

This is not a trivial matter with which we are dealing. Here is a small section of a community which is engaged upon a rebellion in deliberate defiance of the House and the Government and has done so in conditions causing misery and suffering to result from that rebellion. Those who aid and abet the rebellion are committing criminal offences, and it is right that I as Attorney-General should quite firmly designate that aiding and assisting to be criminal conduct. I have been induced to move slightly away from the terms of the Order, but it is proper that I should say those things in the light of the criticisms of me by the hon, and learned Member for Antrim, North.

Sir Knox Cunningham: South.

The Attorney-General: North or South, the criticism is entirely unjustified.

Sir Knox Cunningham: That is a matter of opinion.

The Attorney-General: The answer to the detailed question of the hon. Member for Devon, North (Mr. Thorpe) is that there is abundant precedent for the use of the words in Article 1 (3,b)—

"... or has reason to believe that another person intends to export from or import into Southern Rhodesia."

There are many criminal offences where those words are used, and it is imperative that provision should be made not only for a direct sale but also by using a third party to achieve avoidance of the Order.

In dealing with these sanctions, the aim of the Government throughout has been to get all countries to stop importing Rhodesian goods. We now also want to stop them from exporting goods to Rhodesia. As I said in opening the debate, in general we are getting good co-operation from countries in bringing imports from Rhodesia under control, but there are liable to be gaps or weaknesses and the purpose of the Order is to put us into the position of being able, when the circumstances require, to reinforce the import embargoes which we are trying to persuade people to impose, or to plug possible gaps in them.

For instance, with the chrome Order, it was found necessary to assist friendly Governments, particularly that of the United States which had no power to ban imports, to carry out the policy which the United Nations has decided upon in regard to economic sanctions in respect of Rhodesia. I was asked why there was delay in dealing with the tobacco sanction. The answer is that the 1966 auctions have not yet started and the Government took action as soon as we had substantial evidence of possible speculation by foreign purchasers.

I am satisfied that the machinery and provisions of the Order are essential for the purpose which the Government have resolutely in mind, namely, to bring this rebellion in Rhodesia to an end as soon as possible and to restore decency and constitutional rule to that country.

Question put and agreed to.

Resolved,

That the Southern Rhodesia (Prohibited Exports and Imports) Order, 1966, dated 20th January, 1966, made by Her Majesty in Council under the Southern Rhodesia Act, 1965, a copy of which was laid before this House on 20th January, be approved.

## CORPORAL BARRY MORGAN (DEATH)

Motion made, and Question proposed, That this House do now adjourn.— [Mr. Ifor Davies.]

12.55 a.m.

Mr. Edmund Dell (Birkenhead): I wish to raise the case of Junior Corporal Barry Morgan, who was drowned in the Thames on 18th February, 1964, at the age of 18, in the course of an Army canoeing exercise. At the inquest a verdict of accidental death was recorded. This verdict was entirely proper and on the evidence no other verdict could have been recorded. However, serious charges have been made which were not within the province of the inquest to decide. There has been no inquiry into these charges, and an inquiry has been refused by the Army authorities.

These charges are, first, that there was inadequate supervision on and before the day of the accident, and secondly, that Barry Morgan was improperly coerced into remaining a member of the canoe club when, as is not denied, he wished to resign from it. The refusal of an inquiry into these charges is, in my view, a serious denial of justice. Was there proper supervision? Should Morgan have been permitted to take part in the exercise on that day in the conditions then prevailing-it was raining hard-and in a canoe which, on some evidence, would have required a very experienced canoeist to control it? According to the officer in charge, Lieut. Brown, giving evidence at the inquest, Morgan had been a member of the canoe club at least since the previous summer, in other words for at least nine months.

This figure was confirmed to me in a letter of 31st May, 1965, from my right hon. Friend the Member for Islington, North (Mr. Reynolds), when Under-Secretary of State for Defence for the Army. Corporal Hyland, a friend of Barry Morgan, who claims to have been

[Mr. Dell.] responsible for getting Morgan to join the canoe club, has said in a signed statement that Morgan had only been a member for about two months. What are the facts? Did Morgan have enough experience or did he not? I have given my hon. Friend notice that I would like an answer to that question. Was Barry Morgan a sufficiently good swimmer? He only had a 25-yard certificate, and Hyland said that he was a weak swimmer, who was inclined to panic when tipped into the water. Members of the canoe club were required to be able to swim 50 yards in light clothing.

The only evidence that he was a sufficiently good swimmer is that of Lieut. Brown, the quality of whose supervision is under question here. Learned counsel, whose advice was sought as to whether Morgan's parents could bring an action against Lieut. Brown or the Army authorities, commented:

"I am not prepared to accept the evidence of Lieut. Brown given at the inquest . . . that Barry was a 'very good swimmer,' and so far as canoeing was concerned, 'one of the more experienced'."

This was on the basis of reading the evidence in the files, which I understand my hon. Friend has seen. Even more important was whether Barry was improperly coerced into remaining a member of the canoe club when, as is accepted on all sides, he wished to resign, following an incident in which his canoe capsized. In his signed statement, Hyland says that in the presence of other men, including a captain, Lieut. Brown accused Morgan of being "chicken" and "yellow" because he wished to resign. Hyland also says that Morgan told him on the day of his death, in the presence of another N.C.O., that he had tried to get out of the canoe exercise and that Lieut. Brown had threatened to put him on a charge. It is accepted by the Army authorities that Morgan was entitled to resign if he so wished. They do not deny that he wished to resign. It is alleged that he was improperly coerced into not resigning.

These are serious charges, and Morgan's parents wished to bring a civil action again, against Lieut. Brown, and/or, the Army authorities, for breach of duty but they were prevented from doing so by the issue of a certificate by the Ministry of Pensions and National Insurance saying

that the death was due to service for pension purposes. This has stopped any proceedings. Notwithstanding, the questions remain. There should be an enquiry, either in public or in the Army, to determine the answer to these accusations. There has been no such inquiry. All there has been is an inquiry into what additional safeguards, if any, should be instituted in the future. I have not been permitted to see the report of that inquiry. As learned counsel put it in his advice given on 13th November, 1964:

"In my opinion, there is upon the information available at present a prima facie case against Lieut. Brown. He knew that Barry wished to resign from the club, yet there is evidence that he taunted him for his cowardice and in the end, in effect, if not in law, ordered him on to the river in a difficult canoe in bad conditions. I consider that this unhappy case merits, however, more inquiry from the evidential point of view."

There has been no such inquiry.

My hon. Friend the Under-Secretary of State tells me that the inquest constituted such an inquiry. He states that as questions embodying these accusations were put to Lieut. Brown at the inquest, and the accusations were denied by him and were not pursued by the Morgan family's legal representatives or by the coroner, no further inquiry is necessary. The Government take their stand on the inquest.

But these charges were not investigated at the inquest. The inquest took place on 23rd June, five days after the accident. By that time, no proper investigation had been made into Hyland's accusations. Indeed, although he had mentioned his views to Morgan's father, he had not yet been seen by the Morgan family solicitors, nor had he made any statement. Subsequently to the inquest he made a signed statement. The truth or falsehood of the charges which he makes in that signed statement has never been investigated by the Army authorities.

Not only was the inquest not used; it could not have been used as an investigation of this sort of accusation. I have been advised by the Morgan family solicitors that if an attempt had been made at the inquest to substantiate the accusations by calling Hyland and the other relevant witnesses, this would almost certainly not have been permitted by the coroner. An inquest is an inquiry into the cause of death, not into blame. In

short, the inquest could not have been used as an inquiry into these facts. This advice has since been confirmed to be by a barrister.

The solicitors representing the Morgan family at the inquest certainly did not abandon their line of questioning because they were satisfied with Lieutenant Brown's answers. On the contrary, they state in a letter of 24th June, 1964:

"Our impression was that this line of questioning was disturbing to this witness and it may well be that there is greater truth in the allegation than he was prepared to admit." However, let us suppose for a moment that contrary to the legal advice which I have received, the inquest could have been used for an inquiry into these charges. In fact, it was not so used. Hyland and the other possible witnesses were not called. Surely, in the interest of the Army, an inquiry should be held. The truth or falsehood of these charges was never tested at the inquest. Why have the Army authorities not investigated these charges?

In a letter of 5th December, 1965, I asked my hon. Friend the Under-Secretary for the following categorical assurances. First, that there had been an inquiry into Hyland's allegations at which Hyland's gave evidence and that the inquiry was satisfied that these allegations were untrue. Secondly, that the various people who were in the van when, according to Hyland, Lieutenant Brown used the words "chicken" and "yellow" in relation to Barry Morgan were interviewed at the inquiry and denied that such words were used.

My hon. Friend replied on 25th January, 1966:

"I am unable to give such assurance since the allegations to which you refer were, in fact, considered by the coroner at the inquest." That reply is totally unsatisfactory. The coroner did not consider the allegations. To have done so would have been outside his terms of reference. Neither did he hear the witness upon whose allegations the charges were based or hear the other witnesses who could have confirmed or denied Hyland's charges.

The position, therefore, is that there has been an accident resulting in death. Serious charges stood upon the record and have not been investigated. It is alleged that there were improper coercion and inadequate supervision. There is evidence easily available which could be used to test these serious allegations. Or does my hon. Friend not consider these allegations serious? No question of security is involved, yet the Under-Secretary of State puts me off with the suggestion that an inquest held five days after the accident, in which these charges were not investigated, and in which the evidence, even if available so soon after the accident, would almost certainly have been inadmissible, is an adequate inquiry into these charges.

(Death)

I have made clear from the start of the long correspondence in which I have been engaged with two Under-Secretaries of State that I do not claim to know the truth of the charges. They may be true, but they may be false. What is certainly true is that they should be properly inquired into. The nature of these charges has been known to my hon. Friends for at least a year. I ask for an inquiry both as a matter of justice, and for the reputation of the Army, which deserves a better defence than my hon. Friends have yet provided.

1.5 a.m.

The Under-Secretary of State for Defence for the Army (Mr. Merlyn Rees): In bringing this issue before the House this evening, my hon. Friend the Member for Birkenhead (Mr. Dell) is seeking to reopen inquiries into a fatal accident which happened a year and eight months ago. I do not suppose that this long interval has done much to lessen the grief of the parents of Junior Corporal Barry Morgan. If I thought that anything could be done to help, or to clear up genuinely unsatisfactory features of this case, I should of course, be very ready to do so, but I have as vet no reason to think that the inquiries which my hon. Friend is asking me to pursue could serve any such purpose. My predecessor and I have explained to him the reasons why we hold this view, and there has been a considerable correspondence. I must now for the record repeat those explanations to the House.

My hon. Friend has told how Corporal Morgan was drowned in the Thames near Shepperton while taking part in a trial over the Army canoe championship course. Perhaps I should begin, therefore, by saying something—because this has arisen in the correspondence-about

[MR. REES.] canoeing in the Army, the extent to which is a duty and the extent to which is a voluntary recreation. Hon. Members will realise that physical training and exercise play a large part in the programme of boys' units. There is a wide choice of games and sports, ranging from the traditional games on playing fields to some of the sports which have developed and become fashionable in recent years. As regards the element of compulsion, the position is that boys must take part in sport of some kind. That is com-pulsory, but the choice of sport is voluntary, and the emphasis is on encouragement rather than compulsion once a boy has taken up the game or recreation of his choice. Canoeing is very popular in boys' units, and is encouraged because of its value for leadership and confidence training.

The position, therefore, is that when a boy soldier is canoeing he is on duty because it is part of his training to take part in a sport; but at the same time canoeing itself is not compulsory, because he may transfer to some other sport if he wishes, and he cannot be compelled to continue as a canoeist if he does not wish to. This point has been raised before, and I felt I had to make it clear tonight.

I should now turn to what we know about the accident itself and the events leading up to it. Corporal Morgan was a proficient canoeist. He had competed in national events and had attended a weekend course organised by the Central Council of Physical Recreation. It was a rule in this unit that all canoeists must be able to swim 50 yards in light clothing, and Corporal Morgan had passed these minimum requirements. My hon. Friend has questioned what has been said about Corporal Morgan's experience. It was given in evidence at the inquest that he had been a canoeist for about nine months. This was repeated at the board of inquiry. I have had a further check made of the unit records, and I can confirm that he joined the canoe club in the spring term of 1963. There is no doubt about that, and I do not know where my hon. Friend obtained his contrary information.

Similarly with swimming: at the inquest, the officer said that he had himself conducted the 50 yards swimming test

which is compulsory before membership of the canoe club, and that he had also seen Corporal Morgan swim 50 yards at Southampton Baths.

On 18th June, 1964, a party of 17 apprentices from the Junior Tradesmen's Regiment, Army Catering Corps, went to Chertsey for a trial run over the championship course. They were in the charge of the officer, Lieutenant Brown, who was responsible for canoeing in the regiment. He himself had been a canoeist for some six years and had passed the instructor's examination of the British Canoe Union. At Chertsey, the river was high and it was raining hard, but the water was calm and there was no wind. So that, although conditions were not pleasant, they were not dangerous or difficult from the point of view of the exercise. A party was made up for a practice run in three double and three single canoes.

Corporal Morgan, as one of the more experienced boys, was put in a single canoe of the type known as a racing kayak. He was wearing light clothing and P.T. shoes, and wore a life-jacket of a type approved by the Ministry of Transport. The jacket is designed to be worn like a waistcoat, but Corporal Morgan had folded the jacket and wore it tied round his waist. This was customary among some canoeists, who found that the jacket chafed and hampered movement if it was worn over the shoulders. Corporal Morgan had previously used racing kayaks of a similar type, though he was using that particular canoe for the first time that afternoon.

The race was started by the officer in charge, who watched the party disappear round a bend in the river and then set off in the truck with the rest of the apprentices to meet them at Shepperton Lock. At Shepperton, he saw that Corporal Morgan's canoe was missing, and walked upstream with four members of his party until he saw the canoe floating upside down. It had also been seen by two people living on Pharoah's Island, who had launched a boat. The officer swam to the canoe but could find no trace of Corporal Morgan, whose body was recovered early that evening by the police close to the spot where the canoe had capsized. Corporal Morgan's life-jacket was missing, and was never recovered.

An inquest was held at Chertsey on 23rd June, five days after the accident. The officer was closely questioned by the coroner about all details of the race, the preparations made for it, the condition of the river, Corporal Morgan's experience as a canoeist, and every circumstance which might explain how the accident happened. The officer was also examined by the legal representative of the boy's family. A verdict of accidental death was returned by the coroner, and nothing emerged from the inquest to show why the canoe capsized or, what is perhaps even more mysterious, why a young and fit apprentice, lightly clad and a reasonable swimmer, should have drowned when he fell out of the boat.

I should perhaps add that there is a standard drill to be followed after capsizing whereby the canoeist does not attempt to right his boat but simply catches hold of a rope which is provided for that purpose and remains with the canoe, which is buoyant even though it is capsized. Nothing has emerged to show why none of these precautions succeeded, or why Corporal Morgan should have drowned.

I will turn now to the question which is the real reason for this debate; that is the allegation that Corporal Morgan was compelled or goaded into continuing as a canoeist when he wanted to give it up. What I can tell the House about it is taken from evidence at the inquest, and I should say at once that I have no information about this aspect of the accident which has not already been given in open court. It was not dealt with by the Army's board of

Mr. Dell: Is my hon. Friend saving that he has not seen Corporal Hyland's statement?

Mr. Rees: I am saying that I have not seen Corporal Hyland's statement. I will come back to that in a moment.

After any serious accident a formal Board of Inquiry is held with the main purpose of finding out what happened, and seeing what lessons should be learned. In other words, the Board will recommend changes in safety precautions or standing orders, or propose modifications to equipment or anything which its inquiries show to be desirable to avoid repetition of the accident. It is a purely military and domestic proceeding, and

does not usurp in any way the function of an inquest. As I say, it was not dealt with by the Army Board of Inquiry, nor has there been any separate investigation about it. So far as the Army is concerned, and so far as I am concerned, this is an entirely open matter which was brought out at the inquest and disposed

When the coroner had completed a very thorough examination of the officer in charge of the canoeing party, the legal representative of Corporal Morgan's father asked him about the boy's wish to resign from the club. The officer told the court that Corporal Morgan had been on a canoe rolling course organised by the British Canoe Union. He had not liked it, and had told the officer that he wanted to resign. He was thought, however, to be a very keen member of the club, and the officer had asked him to reconsider and had given him time to think it over, suggesting that it would be pointless to give up after all his experience.

Questions about coercion were then put to the officer by the solicitor. In reply, he pointed out, correctly, that he was not in a position to order anyone to continue in a sport. He then categorically denied having called the boy's courage in question. The words "yellow" and "chicken"—which my hon. Friend has quoted-were put to the officer, and he denied quite clearly that he had used such words to the apprentice. He said that he would not normally use that type of phrase, and that he had not done so on this occasion. The solicitor also put it to him that there had been an allegation or indication that the boy's courage was being called into account, and he denied this suggestion categorically. There was no ambiguity about this evidence. It was a firm denial, on oath, that there had been any order, or threat, or improper coercion. The coroner did not take up any of these questions, and there was a verdict of accidental death.

My Department's correspondence with my hon. Friend began with the technical question whether Corporal Morgan had been on duty at the time of his death, and when my hon. Friend was satisfied about that he continued with the question of Corporal Morgan's ability as a swimmer.

But in June of last year my hon. Friend said that the main point was whether [MR. REES.]

Corporal Morgan had been coerced and threatened into continuing in the Canoe Club. It appears that this information came from another boy in the unit, and on the strength of it my predecessor was asked to re-open the inquiries. I cannot say how this other boy's allegations were originally made. The proper course would have been for him to take any complaint to his Commanding Officer. Nor can I say why the boy was not asked to give evidence at the inquest, if his story was known at that time, as it apparently was. I should have thought the inquest to be the proper place to bring out any matters of this kind, not through suggestions by solicitors to the main witness, but by direct evidence if it was known to be available.

My hon. Friend has said tonight that the family had only a general indication of this evidence at that time, and that its precise nature was not established until after the inquest. I think that that is correct. I accept that. But enough was known for the solicitor to put precise questions to the officer, and to impute actual words to him, words which are the crux of the allegations. These suggestions were made and were denied. The coroner had the advantage of hearing the officer's evidence, and accepted it without remark.

I wish to make my attitude about this quite clear to my hon. Friend and to the House. In my view, on all the evidence avilable to me, this young officer acted throughout with competence, and in accordance with his experience and with standing orders. Nothing to his discredit emerged from the inquest or the Board of Inquiry, the purpose of which I have explained this evening. The allegation that he taunted Corporal Morgan to his death was put to him and was firmly denied on oath. I have not the slightest intention of asking among the other boys more than 18 months after the accident to try to find some indication that the officer had lied. Even to begin such inquiries would imply mistrust when I have no reason to doubt him in any way at all.

My hon. Friend has made accusations which could cost the officer his reputation, his honour—

Mr. Dell: I have made no accusations. I have stated what the case is as pre-

sented to me in a sworn statement by Corporal Hyland. I have specifically said that I do not know whether these charges are true or false, but that they should be inquired into.

Mr. Rees: I will come to the question of the sworn statement, because—

Mr. Dell: Signed statement.

Mr. Rees:—signed statement in a moment. Statements which can be carried to all parts of the country have been made here tonight, in the privilege of the House, so that the officer is deprived—I know that my hon. Friend realises this—of any means of redress.

My hon. Friend implies that he has evidence which I have not seen. If that is so and he wishes to send it to me, I shall consider it—

Mr. Dell rose-

Mr. Rees: If there is something substantial and corroborated and there is good reason why it was not brought to the authorities at the time, I shall, of course, be willing to look at it.

Mr. Dell: I have referred to Corporal Hyland's statement in the course of this correspondence continually. I have indicated to my hon. Friend and to his predecessor that I am willing to put all the evidence I have at their disposal, but I assumed that they had this evidence. If my hon. Friend is now saying that he has not seen Corporal Hyland's statement, how does he account for the fact that he read letters from me quoting from this statement, without asking to see the full statement? It seems to me that the position of the Under-Secretary of State is quite impossible.

Mr. Rees: I cannot accept that. If there is evidence which was not presented, it was not put through the normal channels. I have not seen that. If there is something substantial and corroborated and there is good reason why it was not brought to the authorities at the time, I shall, of course, be willing to look at it. But I must make it clear that I cannot take up anything which is vague or lacking in substance. I make this further point. If the evidence is put to me, I will look at it. Failing this evidence, I hope that my hon. Friend will accept the situation as it is.

Question put and agreed to.

Adjourned accordingly at twenty-three minutes past One o'clock.

## HOUSE OF COMMONS

Thursday, 17th February, 1966

The House met at half-past Two o'clock

## **PRAYERS**

[Mr. SPEAKER in the Chair]

## ORAL ANSWERS TO OUESTIONS

## BOARD OF TRADE

Livestock Marketing Company, Limited

1. Dame Irene Ward asked the President of the Board of Trade when the report of his inspectors on the Livestock Marketing Company Limited, inquiries for which were started in 1962, is to be published.

The Minister of State, Board of Trade (Mr. George Darling): I cannot yet say when it will be possible to publish the report of the inspectors.

Dame Irene Ward: In view of the concern about this matter and the fact that it has been such a long time, will the hon. Gentleman say why the report cannot be published, or when it is to be published?

Mr. Darling: I share the hon. Lady's disquiet about this case. The Board of Trade inspectors produced their report in October 1963. It was then sent to the police, which, of course, precluded publication, and the papers are now being considered by counsel. We are doing our best to speed up the proceedings.

#### **Industrial Stocks**

3. Mr. Mawby asked the President of the Board of Trade what is the level of industrial stocks at the last available date; what was the level 12 and 24 months previously, respectively; and what is the percentage change over this period.

Mr. Darling: The book value of manufacturers' stocks at the end of September 1965 was £7,204 million; it was £6,686

million at the end of September 1964, and £6,126 million at the end of September 1963. These figures represent increases of 9 per cent. between September 1963 and 1964 and 8 per cent. between September 1964 and 1965.

## Corporation Tax

4. Mr. Mawby asked the President of the Board of Trade what representations have been received by his Department on the effects on industry and commerce of the Corporation Tax.

Mr. Darling: Formal representations on matters of taxation are made to my right hon. Friend the Chancellor of the Exchequer, but views on various aspects of the Corporation Tax have been put to my Department by representatives of industry and commerce.

Mr. Mawby: I accept that this is obviously a matter primarily for the Chancellor of the Exchequer, but does not the hon. Gentleman realise that a great responsibility is placed upon the President of the Board of Trade and that people in industry ought to know by now at least what the rate will be which they will be charged?

Mr. Darling: The President of the Board of Trade can hardly announce the Chancellor's rate of Corporation Tax before the Budget.

Mr. William Clark: Will the hon. Gentleman agree that the figures of 35 and 40 per cent. are being bandied about and, further, that this difference of 5 per cent. means additional taxation to industry of £150 million a year?

Mr. Darling: I am not sure whether the hon. Gentleman's calculations are correct, but, in any case, the question ought to be put to the Chancellor of the Exchequer.

Mr. Barnett: Will my hon. Friend take steps to ensure that companies are not misled by right hon, and hon. Members opposite as to the effects of the Corporation Tax, and will he ensure that industry and commerce are made aware that, in so far as they plough back their profits, they will be better off under the new system than under the old?

Mr. Darling: Yes, Sir.

## Kennedy Round

5. Mr. Marten asked the President of the Board of Trade what further progress has been made in the Kennedy Round tarff negotiations; and if he will make a statement.

Mr. Darling: I will, with permission, circulate in the OFFICIAL REPORT a statement of developments since my right hon. Friend made his statement on Thursday, 29th July, 1965.

Mr. Marten: Can the hon. Gentleman confirm that the deadline for completion of the negotiations is July of this year? If that is so, are the Government taking any steps to approach the American Government to extend the date?

Mr. Darling: What we are doing at present is trying to restore the momentum in the negotiations so that the bargaining over the final round can be settled, if possible, this summer. It is necessary that the negotiations should be completed very early in 1967 because that is when the United States' statutory powers concerning the Kennedy Round come to an end.

Mr. Peter Emery: Now that the problems appear to be solved in the E.E.C., it is not clear that this advance can be taken, and will not all our E.F.T.A. partners be looking to us to force the pace in the negotiations? It is up to the Government to do this.

Mr. Darling: When the hon. Gentleman sees the statement in the OFFICIAL REPORT, he will see that we are doing precisely that.

Following is the statement:

Progress in the Kennedy Round negotiations in the second half of 1965 was affected by the difficulties experienced by the European Economic Community, which prevented the Community from extending its negotiating mandate and, in particular, from joining in submitting an offer of concessions on agricultural products other than cereals.

Discussions have continued between delegations, bilaterally and in wider groups, on the scope for limiting the exceptions to the proposed linear reductions in tariffs and on problems in certain industrial sectors such as chemicals, steel and textiles. The examination of non-tariff barriers to trade is also continuing.

The British Government joined in September, 1965, with most other participants in the agricultural negotiations in submitting

offers of concessions on agricultural products other than cereals.

Forty-three other governments, including governments of agricultural exporting countries and developing countries, have now contributed offers to the negotiations. A special group on tropical products has been examining the scope for action in this field in the interests of the developing countries.

In an effort to restore the momentum of the Kennedy Round, the Director-General of the G.A.T.T. circulated to participating Governments last month a report which identified the numerous points on which decisions will need to be taken by Governments in order to ensure early progress. The British Government are considering the possibilities for taking action as quickly as possible on the recommendations in this report.

As a country dependent on experts, Britain's interest lies in maintaining the growth of world trade, and in securing reciprocal reductions of trade barriers. The Government consider it particularly important to reduce tariffs reciprocally in Europe, so as to mitigate the discrimination arising from the separate existence of the E.E.C. and E.F.T.A. They will, therefore, continue to do all they can to ensure progress during the spring so that negotiations can pass through their decisive stages during the summer and autumn. They believe that, if all participants show a similar determination, is should be possible to complete the negotiations early in 1967.

## Firms and Industries (Public Ownership and Control)

6. Mr. Marten asked the President of the Board of Trade if he will list the firms and industries which have been considered for further public ownership or control in the last six months.

Mr. Darling: None, Sir.

Mr. Marten: Will not the powers which the Government hope to take in the Industrial Reorganisation Corporation enable them virtually to nationalise the steel industry, or will they continue with their Bill, as pledged at the General Election?

Mr. Darling: As pointed out in the debate on the White Paper, the I.R.C. will not be used for the purposes the hon. Gentleman suggests. As for the steel industry, I can only say "Wait and see". Meanwhile, if the hon. Gentleman has any firms in mind which he thinks would operate better under public ownership, we should be glad to look at his suggestions.

Mr. Barber: How does the hon. Gentleman square his original Answer with the express statement by the Minister of Technology in the House of Commons when he said that he had come across a number of sections of industry——

Mr. Speaker: Order. It is not in order to quote at Question Time.

Mr. Barber: The Minister said that he had come across a number of sections of industry which he would like to bring into public ownership—and he was speaking on behalf of the Government.

Mr. Darling: This Question was directed to the Board of Trade.

Mr. Rose: In view of the concern expressed by the hon. Member for Banbury (Mr. Marten), would my hon. Friend perhaps look into the drug industry as possibly the first candidate?

Mr. Darling: That question should be directed to my right hon. Friend the Minister of Health.

#### Consumer Council

7. Mr. Ioan L. Evans asked the President of the Board of Trade what proposals he has to strengthen and expand the work of the Consumer Council; and if he will make a statement.

Mr. Darling: The Council decides for itself what work it will do, within the limits of its grant-in-aid and terms of reference. My right hon. Friend is always ready to consider any proposals it may put to him for extending its work.

Mr. Evans: Does not my hon. Friend agree that the Consumer Council is doing a grand job to protect the consumer? Will he consult the Council to see whether its resources are sufficient to make generally known to the public what it has done to protect the consumer?

Mr. Darling: We are in constant consultation with the Consumer Council and listen, of course, to all the representations it makes. I agree that the Council, now that it is well established, is doing a very good job.

### Water Charges

8. Sir H. Harrison asked the President of the Board of Trade what steps he will take to alleviate the extra cost of main water, due to the provisions of the

Finance Act, 1965, which is harming producers of goods and produce for export.

Mr. Darling: My right hon. Friend has no powers in this matter.

Sir H. Harrison: Will the Minister of State realise that his Answer will be very disappointing to many farmers and small manufacturers in Suffolk and the rest of the country, because the costs of water—a necessary ingredient—are up by 25 per cent., due entirely to the Finance Act?

Mr. Darling: I am not sure who is responsible for the question put forward by the hon, and gallant Gentleman. I would think that this is a matter for my right hon. Friend the Minister of Housing and Local Government.

## Redundant Miners (Scotland)

9. Mr. Edward M. Taylor asked the President of the Board of Trade what discussions he has had with Scottish interests regarding the provision of alternative industries in areas affected by coal closures.

Mr. Darling: In addition to the discussions on this subject which my right hon. Friend held with the Board of Trade Principal Controller for Scotland and representatives of other Departments during his visit to Scotland on the 4th January, I have had discussions with Scottish industrialists, the Scottish T.U.C., Members of Parliament and representatives of the local Authorities of Fife and Lanarkshire county councils about alternative work for miners affected by pit closures.

Mr. Taylor: Does not the hon. Gentleman agree that there is need for special and urgent action here, since Scotland has been singled out for savage treatment through coalmine closures, with only 28 of the 76 pits having a guaranteed future? Has he no definite news for the Scottish miners and clergy representatives who are here to complain about the virtual annihilation of the Scottish coalfields?

Mr. Darling: I do not think that any of the representatives I spoke to in Scotland would share the hon. Gentleman's views. But, in any case, we intend to carry on with the good work started by the Government. During 1965, as compared with 1964, the rate of unemployment was considerably brought down;

[Mr. Amery.]

than months. The Commonwealth Secretary, in a speech he made last week, gave the impression that it would be months rather than weeks. And yet, even with the addition of these sanctions, I think that the whole policy will collapse, because delay must be fatal to the policy. Other countries will support it only if there is to be a quick kill. If there is no sign of a quick kill international support will become frayed at the edges. The Commonwealth Secretary knows this as well as, perhaps better than, I do.

I follow my right hon. Friend the Member for Altrincham and Sale (Mr. Barber) in saving that sanctions are only a means to an end. We have to see for ourselves what is the object for which these Orders are being introduced. What is their object? I was never in any doubt myself, though I can well understand that others, on both sides of the House, may have thought the Government were introducing other sanctions and these were the purpose of bringing Mr. Smith to the conference table once again. If anyone had any beliefs of this kind they must have been rudely shattered by the Prime Minister's statement on the day we reassembled after the Christmas Recess.

The object of these sanctions has been made perfectly clear by the Prime Minister. It is to establish, first of all, a period of direct rule. I know that this has been denied in terms, but the idea is that the Governor should rule with the help of an executive council. To whom should this council be responsible?

Mr. Speaker: Order. The right hon. Member so far has been in order. He is now stepping out of it.

Mr. Amery: I beg only to submit that these Orders are a means to an end, and the end we are faced with by the Government has been newly expressed since we last debated these matters before the Recess. It was only on the day the House reassembled, and there has been no Rhodesian debate since then, that the Prime Minister defined for the first time in categorical terms the purpose of this policy, and here for the first time we are discussing a means to implement that policy. With very great respect, I would

submit that I would be in order if I were to comment very briefly—and I undertake, only very briefly—on the object—

Mr. Speaker: Order. If we debate what happens if these sanctions do or do not achieve their purpose, then we open wide a debate on Rhodesia. The right hon. Member must link his remarks to the Order.

Mr. Amery: Naturally, I bow to your Ruling, Mr. Speaker, but I am not seeking to discuss what will happen if the sanctions do or do not succeed. I am only seeking to discuss what their direct purpose is. Their direct purpose is to establish, as the Prime Minister explained to us the other day, a Governor's council, responsible not to the Legislature in Rhodesia, but to the Commonwealth Secretary and, therefore, to this House. That was the only point I was trying to make.

The other point, as I understand him, he was trying to demand was the early establishment of majority rule. I am not going into the modalities by which he is trying to establish this, but it seemed to me quite clear from the terms he used that the other purpose of the Order, like that of the Orders before it, is to bring about majority rule a good deal sooner than it would have come about under the 1961 Constitution. And after the recent events in Nigeria each of us can have his own opinions whether this right or wrong—

Mr. Speaker: Order. I am deeply sympathetic with the attitude of every hon. Member and right hon. Member who seeks on this Order to open a debate on Rhodesia—sanctions, what has happened in the past, what is to happen in the future; but we are discussing this Order, and must stick to it.

Mr. Amery: Mr. Speaker, I did not intend to go beyond what I have said. I was only trying to relate these Orders to the purposes which the Prime Minister had in mind, which appeared to me to be a period of direct rule and the early imposition of majority rule.

I agree with my right hon. Friend the Member for Altrincham and Sale that the Orders do not in themselves change or affect the situation very greatly. To some extent, they are consequential on

Sir J. Hobson: May I thank the hon. Gentleman for that happy, if belated, conclusion?

#### Rhodesia

13. Sir H. Harrison asked the President of the Board of Trade what estimate he has made of the loss in revenue to the United Kingdom in a full year by Her Majesty's Government's decision preventing Lloyd's underwriters meeting their liabilities in Rhodesia.

The Minister of State, Board of Trade (Mr. Roy Mason): I understand that there has been a loss of business. I cannot estimate what the loss to the United Kingdom might be if it were necessary to maintain the present restrictions for a full year.

Sir H. Harrison: Is the hon. Gentleman aware that that is a very depressing Answer, particularly from a Department which is supposed to encourage exports? I am told that the loss amounts to £1½ million in premiums in Rhodesia, which is undermining the goodwill of Lloyd's Exchange. Is he aware that countries like South Africa intend to keep back part of their premiums as a guarantee against such action in future?

Mr. Mason: The hon. and gallant Gentleman exaggerates the figure. This is a unique situation. There is a rebellion in Rhodesia. The situation can only be resolved when constitutional Government returns to Rhodesia.

Mr. Wingfield Digby: Has the hon. Gentleman any figures of the extent of the default already or of the failure to renew premiums in South Africa because of what has happened in Rhodesia?

Mr. Mason: I have no figures available now, but if the hon. Gentleman will put down a Question I will see whether they can be obtained.

Mr. Derek Page: Does not my hon. Friend agree that infinitely greater loss would result if the Government were to bend to rebellion?

Mr. Mason: Yes, Sir.

Mr. Barber: Will the hon. Gentleman take steps to find out the answer to the question put by my hon. Friend the Member for Dorset, West (Mr. Wingfield Digby)? This is a very serious matter

and may have consequences outside the area we are concerned with.

Mr. Mason: As I indicated, if the hon. Gentleman the Member for Dorset, West will put down a specific Question I will see if I can get the answer.

Sir H. Harrison: On a point of order, Mr. Speaker. In view of the unsatisfactory nature of the reply, I beg to give notice that I shall seek to raise this matter on the Adjournment at the earliest opportunity.

47. Mr. Biggs-Davison asked the President of the Board of Trade what advice he has given British exporters who have lost, or will lose, their market in Rhodesia.

Mr. Mason: I would advise them to sell in other export markets. All the services of the Department are at their disposal to help them to do this.

Mr. Biggs-Davison: Is not that a rather flippant Answer? Having by their policy of sanctions at a time of grave economic trouble for Britain thrown away a preferential market of at least £30 million a year, have the Government no useful advice to offer whatever?

Mr. Mason: The hon. Gentleman is tending to exaggerate. We have received few, if any, requests for advice and have had brought to our notice very few cases of hardship to exporters resulting from the sanctions.

Mr. Harry Hynd: Does my hon. Friend agree that there would not be this difficult situation in Rhodesia if the régime there were not getting so much help from hon. Members opposite?

Mr. Mason: The best way to reduce any loss to British trade is to bring the rebellion to an end as quickly as possible, and this is what the Government's policy of sanctions is intended to do.

Mr. Barber: Will the hon. Gentleman say whether it is in order for British exporters to keep in touch with their old customers in the hope of resuming trade after the rebellion is over, or whether this is against the advice of the Board of Trade?

Mr. Mason: The answer to the first part of the supplementary question is "Yes, Sir".

## **Hotel and Catering Industry**

14. Mr. Blaker asked the President of the Board of Trade, in view of the emphasis in the National Plan on the need to give priority to those sectors of industry which can make the greatest contribution to strengthening the balance of payments, what proposals he has for encouraging investment in the hotel and catering industry.

Mr. Mason: I would refer the hon. Member to the Answer given on 31st January to the hon. Member for Bournemouth, West (Sir J. Eden).

Mr. Blaker: Does not the hon. Gentleman recall that the President of the Board of Trade gave as the reason for the exclusion of the industry from the system of investment grants the fact that only 10 per cent. of its earnings are in foreign currency? Will he draw his right hon. Friend's attention to the point that the hotel industry is the very heart of the tourist industry as a whole and that, if it does not modernise at the pace it should, the whole tourist industry will suffer?

Mr. Mason: I am not satisfied that the hotel industry will be severely hurt. It will have the initial allowance, increased from 10 to 30 per cent. Development districts are to be widened and, consequently, all those who wish to build or expand hotels in those regions, thereby providing assistance in dealing with the unemployment situation, will be able to get a 25 per cent, building grant. The whole industry is being indirectly assisted by the £2 million grant in aid that we give to the B.T.A.

Mr. Barber: Can the hon. Gentleman name a single industrial or commercial body in favour of the Government's new proposals? If so, which?

Mr. Mason: Most of them.

### Footwear (Retail Distribution)

15. Mr. Shepherd asked the President of the Board of Trade if he is satisfied that the monopoly position at present obtaining in the British shoe distribution industry is consistent with the public interest; and whether he will refer this industry to the Monopolies Commission.

Mr. Darling: Although one firm has a large share in the retail distribution

of footwear, it is not so large as to satisfy the conditions for reference to the Monopolies Commission.

Oral Answers

Mr. Shepherd: Is not the hon. Gentleman aware that this monopoly buying position works very hardly against the manufacturing end of the industry and that this organisation indulges in very heavy mark up and, on the whole, is deteriorating standards in the trade? Should not something be done about this?

Mr. Darling: I agree with the hon. Gentleman that something should be investigated, and I think that an investigation on the lines he has suggested could take place, but not by the Monopolies Commission.

Mr. Ioan L. Evans: Is not this situation also working against the interests of the consumer, for the housewife gets the impression that a number of shops in the High Street are competing with each other when in fact they are owned and controlled by the same concern?

Mr. Darling: Yes, Sir.

## Leases and Contracts (Insurance Clauses)

16. Mr. Shepherd asked the President of the Board of Trade if he is aware that solicitors, estate agents, building societies, and others, many of whom have no substantial interest to protect, place in leases, etc., clauses requiring insurances to be effected with companies from whom they draw commission, and that a departmental committee has already condemned this practice; and if he will take steps to end this restraint of trade.

Mr. Darling: I understand that this question will be examined by the Law Commission in the course of their deliberations on the reform of the law of landlord and tenant.

Mr. Shepherd: This, too, is putting off action. When are we to get tough about monopolies and make their lives uncomfortable? Unless we do, there will be no real vitality and dynamism in British industry.

Mr. Darling: I must remind the hon. Gentleman that the Law Society and the Building Societies Association have already taken steps to discourage this

insistance on clauses of this type, which are likely to lead to double insurance. If we can do the job by voluntary agreement, I do not see why we should bring into play a great sledge hammer to deal with it.

## European Free Trade Area (Agriculture)

17 and 18. Mr. Dodds-Parker asked the President of the Board of Trade (1) what action he is taking to eliminate non-tariff barriers to agricultural trade between the members of the European Free Trade Association;

(2) what action he is taking, in view of the elimination of tariffs between the members of the European Free Trade Association on 31st December, 1966, to move towards the harmonisation of agricultural price levels.

Mr. Mason: The E.F.T.A. Convention does not require the elimination of nontariff barriers to trade in the agricultural sector or the harmonisation of agricultural price levels, and we are not taking action for either purpose in E.F.T.A.

Mr. Dodds-Parker: Is not that just the sort of initiative which the Government might well take in order to improve trade among the members of E.F.T.A. and also to set an example to the Six so that we may all go forward together?

Mr. Mason: As the tariffs on industrial goods are gradually eliminated, an examination will take place as to how E.F.T.A. can be strengthened, and no doubt this will be one of the talking points.

Mr. Peter Emery: Does not the hon. Gentleman appreciate that the Council of Europe wishes to work along this line and that it is no encouragement to it when the hon. Gentleman makes that sort of answer? Is he not aware that his right hon. Friend's statement about entering Europe is nonsense if the Board of Trade will not take action along this line?

Mr. Mason: That is very much wider than the original Question. We are here dealing with E.F.T.A.

#### Latin America

19. Mr. Wingfield Digby asked the President of the Board of Trade what

steps he is taking to encourage British enterprises to set up subsidiaries in Latin America, following the visit there of the Foreign Secretary.

Mr. Mason: The Board of Trade and our Embassies in Latin America are glad to help British firms interested in local manufacture with licensing agreements and the sale of know-how. The transfer of capital to subsidiaries in Latin America is subject to the exchange control regulations currently in force.

Mr. Digby: I recognise the present exchange difficulties. However, does not a dollar premium have to be paid in most of these cases? Is there not a danger that we shall be permanently excluded from these opportunities unless we can get in fairly soon in many of these countries?

Mr. Mason: Since the visit of the Foreign Secretary we have done our utmost to try to establish closer links with Latin America.

Mr. Gresham Cooke: Is not one of the difficulties about setting up subsidiaries in countries like Brazil the severe limitations on the dividends which South American countries permit to come back to this country? Can the Board of Trade do anything about raising those limitations or dividends so as to make British overseas capital more profitable?

Mr. Mason: I will consider the hon. Gentleman's suggestion.

20. Mr. Wingfield Digby asked the President of the Board of Trade what success the Committee for Exports to Latin America is having in persuading more firms, and especially smaller firms, to take an interest in the Latin American market.

Mr. Mason: The Committee for Exports to Latin America are rightly concentrating their efforts on those industries for which the market potential is greatest. They report an increasing interest in Latin America among firms of all sizes.

Mr. Digby: Will the Minister give an assurance that this Committee will have every help in its very useful work, particularly in analysing the opportunities which now exist in Latin America?

Mr. Mason: Certainly. In response to a recent questionnaire from the Committee, 385 firms said that they were willing to discuss export opportunities in Latin America with a member of the Committee.

Mr. Peter Emery: Does not the hon. Gentleman realise that since the visits of the Foreign Secretary much of industry has become more conscious than ever before of the trade opportunities which exist in Latin America? Unless we have much more action from the Board of Trade than was implied in the two Answers which we have just received, the trade opportunities resulting from the visits will have been wasted.

Mr. Mason: The hon. Gentleman must have thought of that supplementary question before he heard my last answer. Did he not hear me say that since we set up this Committee 385 firms have shown interest?

Mr. Speaker: That was a rhetorical question.

## Newspaper Undertakings (Nominees)

24. Mr. Hugh Jenkins asked the President of the Board of Trade what steps he has taken, or proposes to take, on the recommendation of the Royal Commission on the Press that he should exercise his powers under the Companies Act, 1948, to investigate and regulate the control of newspaper undertakings whose equity is held substantially by nominees.

Mr. Darling: My right hon. Friend is prepared to consider exercising powers under the Companies Act to investigate the true ownership and control of any paper undertaking where grounds exist (for example, where the Press Council is unable to obtain sufficient information). He has no power under the Act to regulate the control of newspapers.

Mr. Jenkins: Did not the Royal Commission recommend that the Board of Trade itself should take the initiative in this matter and not wait to have matters brought to it?

Mr. Darling: Yes, that is perfectly true, but the Board of Trade cannot exercise control over newspapers in the sense of a daily examination of what they are doing, or a daily examination of their share dealings. Whatever the Royal Commission may have said, facts have to be brought to the attention of the Board of Trade.

Oral Answers

# Industrial Development Certificates (King's Lynn)

25. Mr. Derek Page asked the President of the Board of Trade how many industrial development certificates were granted for firms to develop in the King's Lynn area in each quarter of the years 1963, 1964 and 1965.

Mr. Darling: As the Answer contains a number of figures, I will, with permission, circulate them in the Official Report.

Mr. Page: Will my hon. Friend bear in mind that although there has been a very welcome increase, I understand, there was a lack of correlation between housing and industry a couple of years ago with the result that about 100 houses are now standing idle? Will he bear that in mind when considering future application for I.D.C.s?

Mr. Darling: Yes, Sir. As my hon. Friend knows, we have had discussions with the King's Lynn Council and the Greater London Council and we are doing everything we can to improve phasing of housing and industrial development.

Following is the information:

INDUSTRIAL DEVELOPMENT CERTIFICATES ISSUED FOR THE KING'S LYNN EMPLOYMENT EXCHANGE AREA

		1963	1964	1965
1st Jan31st Mar. 1st Apr30th June 1st July-30th Sept. 1st Oct31st Dec.		1	1 2 4	3 9
	•••		1	4
Total		1	8	16

#### **Development Areas**

26. Mr. Derek Page asked the President of the Board of Trade what criteria, apart from unemployment, he is now taking into account in designating development areas.

Mr. Darling: As explained in Command Paper 2874, the development areas will be chosen with reference to the Government's wider regional policies and will take account of all relevant economic circumstances. In particular,

account will be taken of such factors as population change, including migration, and employment trends as well as the level of unemployment.

Mr. Page: Will my hon. Friend bear in mind the scandalous variations in earnings between different regions and the fact that earnings in parts of East Anglia just about equal National Assistance in the development areas? Will he give an assurance that the lines of division in the White Paper on investment allowances will not be the last word when legislation is introduced?

Mr. Darling: Yes, Sir. I think that my hon. Friend knows, because of his persistent questioning, which I very much welcome, that we are taking earnings into account in some circumstances, and we will certainly follow up the last part of his question.

Mr. Patrick Jenkin: Is it not entirely inconsistent with the Government's designation of the new development areas, thus getting away from the concept of smaller development districts, that they should have excluded from the development areas as it were pockets of non-development areas, such as Edinburgh, North Wales and South Wales?

Mr. Darling: At the moment we are discussing King's Lynn.

Mr. Jenkin indicated dissent.

Mr. Darling: In regard to King's Lynn—[Interruption.] If I can take King's Lynn as an example of the issues which my hon. Friend raised in the Question, King's Lynn has an overspill arrangement with London which we think will work out just as satisfactorily as treating it as a development district, and I am assured that this is how it will work.

Mr. Speaker: Ingenious, but too long.

## Deafhill Pit, County Durham (Redundant Workers)

27. Mr. Shinwell asked the President of the Board of Trade what arrangements are being made to provide alternative employment for those miners whose work at the pit at Deafhill, County Durham, will come to an end.

Mr. Darling: I understand that most of the men employed at Deafhill will be

offered jobs in nearby collieries. There are also opportunities for alternative employment for men in the new town of Peterlee about eight miles away, where new industrial developments are going forward.

Mr. Shinwell: Is my hon. Friend aware that I am very much surprised that there appears to be alternative employment in industry in the new town of Peterlee? For years during the period when the Opposition were in Government I tried hard to get new industry injected there and failed. Now my expectations are greater.

## Baking and Confectionery Trade

28. Mr. W. Hamling asked the President of the Board of Trade if he will refer to the Monopolies Commission the state of monopoly in the bread-baking and confectionery trade.

Mr. G. Darling: My right hon. Friend will bear this suggestion in mind.

Mr. Hamling: Is my hon. Friend aware that we on this side hope that he does not leave this until there are only two firms left in the business?

Mr. Darling: We shall keep the situation in mind.

#### Distributive Trades

29. Mr. Bruce-Gardyne asked the President of the Board of Trade what estimate he has made of the impact on investment in the distributive trades of the exclusion of retailing and distribution from the new system of investment allowances.

Mr. Darling: No precise estimate can be made, but I expect that, as forecast in Chapter 5 of the National Plan, investment in the distributive trades will grow less rapidly than in recent years.

Mr. Bruce-Gardyne: Is the hon. Gentleman aware that the Scottish Plan suggests that particular attention has to be paid to productivity in the distributive trades? Does the hon. Gentleman think that the exclusion of these trades from the benefit of investment grants is a good example of this attention?

Mr. Darling: The distributive trades will not be left out altogether. Under the new system they will get 30 per cent.

initial allowances for plant and machinery, including vehicles, and they will get help with shop fittings, furnishings and office machinery. We think that this will be satisfactory.

Mr. Barber: In answer to an earlier Question, the hon. Gentleman's hon. Friend said that most of the industrial and commercial bodies were in favour of this new system of investment allowances? Will the hon. Gentleman tell the House of one single body which is in favour?

Mr. Darling: We have had representations from most of the trade associations concerned. Some of them were critical of parts of the plan, some accepted parts, and it would be quite impossible to give a "yes or no" answer, or to name precisely anyone who answered.

Mr. Sheldon: Would my hon. Friend not agree that members of the little Neddy on machine tools were in favour of this system of investment grants.

## Crystal Palace Site

32. Mr. Goodhart asked the President of the Board of Trade whether the necessary Government support will now be given for the construction of a national industrial exhibition centre on the Crystal Palace site.

Mr. Mason: My right hon. Friend has recently received a report from the Greater London Council. A full examination of the proposals will take some time, but the Government will reach a decision as soon as possible.

Mr. Goodhart: Is the Minister aware that there are four major international industrial exhibitions which may come to this country in 1971 if this exhibition centre is open? Is he further aware that there is no chance of the exhibition centre at Crystal Palace being open if the Government do not make a decision by Easter?

Mr. Mason: Yes. We are treating this matter as one of urgency.

#### **Caxton Publishing Company** Limited

33. Mr. Boston asked the President of the Board of Trade what further action he proposes to take following the discussions between his Department and the Caxton Publishing Company Limited on sales methods.

Oral Answers

Mr. Darling: I am continuing to watch the position closely.

Mr. Boston: Would my hon. Friend accept that his examination of the material sent to him by the Consumer Council and myself about this is appreciated? Does he realise that evidence is still coming in that this company has been using misleading sales methods and threatening customers who have been the victims of these methods? Would he now consider taking further steps to deal with the situation?

Mr. Darling: I should be very glad to have the information mentioned. An official of the Board of Trade saw representatives of the company in November and as a result its sales methods, we were told, would be altered. If my hon. Friend has further information we would be very glad to look at it.

## **Investment Incentives**

36. Mr. G. Campbell asked the President of the Board of Trade whether a firm which starts a project in a new development area, not previously in a development district, between 17th January 1966, and the date of entry into force of the legislation foreshadowed in paragraph 51 of Command Paper No. 2874, Investment Incentives, will qualify for the grants to be introduced under that legislation.

Mr. Darling: My right hon. Friend hopes to make a statement shortly on this and certain other questions arising in connection with the proposals in Cmnd. 2874.

Mr. Campbell: Does not this uncertainty lead to postponement of projects? Is this not therefore part of the Chancellor's credit squeeze rather than an inducement?

Mr. Darling: Yes, this is one of the factors. [Laughter.] I am not agreeing with the hon. Gentleman. This is one of the factors which my right hon. Friend will mention in a statement which will be made shortly.

Mr. Patrick Jenkin: Will the Minister's right hon. Friend be informing the House

on that occasion whether there is to be any right of appeal against the refusal by the Board of Trade to give an investment grant in any circumstances?

Mr. Darling: I shall certainly put that point to my right hon. Friend.

40. Mr. Gresham Cooke asked the President of the Board of Trade how much less the new scheme of investment incentives will cost Her Majesty's Government compared with the previous investment allowances; and if he will apply this saving to making payments earlier than 18 months hence.

Mr. Darling: I do not expect the new scheme of investment incentives to cost less than the previous arrangements. The second part of the Question therefore does not arise.

Mr. Cooke: Is the hon. Gentleman aware that many economists and accountants think that the Government are going to save £100 million on this scheme as compared with that introduced by the Conservative Government? In view of that, ought not the Government's scheme to have been brought in much more quickly?

Mr. Darling: We do not accept that because the previous scheme was associated with a company's profits and taxation. It is true that the cost of investment allowances under Income Tax and Profits Tax would have been substantially higher—upwards of £300 million—but this is merely because the value of investment allowances, unlike grants, reflects the level of taxation. The tax on retained profits under Corporation Tax will be significantly less under Income Tax.

Mr. Barber: The hon. Gentleman has given one side of the equation. Would he now tell us what is the difference in cost between the old system of investment allowances, which operated in 1964, and the new system of investment grants which will operate in the future?

Mr. Darling: It is quite impossible to answer that question because the cost of grants will depend upon the level of investment.

#### Advance Factories (Scotland)

38. Mr. Grimond asked the President of the Board of Trade how many advance

factories are complete but empty in Scotland; and, in view of the fact that the old development areas have lost their special investment status, what new efforts are being made to find tenants for these factories.

Mr. Darling: There are only two completed advance factories in Scotland which are not yet allocated. The proposals for new investment incentives in the White Paper (Cmnd. 2874) should serve to reinforce the efforts already being made to secure tenants for these and for other advance factories still being built.

Mr. Grimond: While appreciating that Scotland as a whole has now been made a development area, with advantages to many places, is the Minister satisfied that he will be able to find tenants for these two factories, one of which has been vacant for some time?

Mr. Darling: Many inquiries are coming along and they lead us to think that there will be no difficulty in finding tenants.

Mr. Hector Hughes: Since only two advance factories are not being used, will the Minister state what provision he is making to provide more advance factories in the North-East of Scotland, where they are badly needed and where they can obtain power from the new reactor station near Dounreay?

Mr. Darling: I think that my hon. and learned Friend has a Question on the Order Paper dealing with this point.

## Scotland (Ministerial Visits)

41. Sir W. Anstruther-Gray asked the President of the Board of Trade when next he proposes to pay an official visit to Scotland.

Mr. Darling: My right hon. Friend was in Glasgow early in January and is always willing to visit Scotland as occasion arises.

Sir W. Anstruther-Gray: While thanking the hon. Gentleman for that encouraging reply, when he is next in Scotland, would his right hon. Friend be so good as to spare the time to visit East Lothian and Berwickshire, because local authorities in those two counties would be very happy to put some propositions before him, if he could see them on the spot?



Mr. Darling: I will put the suggestion to my right hon. Friend, but I have a suspicion that the job will fall on me.

#### North Vietnam

43. Mr. Goodhart asked the President of the Board of Trade whether it is still the policy of Her Majesty's Government to increase trade with North Vietnam.

Mr. Mason: Our trade with North Vietnam has always been extremely small, and in present circumstances there is little scope for increase.

Mr. Goodhart: Is the hon. Gentleman aware that Mr. McNamara, the American Defence Secretary, said to the American Senate recently that the British Government were bringing great pressure to bear on British shipowners to decrease their trade with North Vietnam? What pressure has in fact been brought to bear? Is the hon. Gentleman aware that our trade with North Vietnam has doubled in the past year?

Mr. Mason: I am not aware of any British ships under the direct control of British owners which are trading to North Vietnam.

## Japan (Export Control)

44. Mr. J. H. Osborn asked the President of the Board of Trade what discussions he has had with the Japanese Government following the original Exchange of Notes concerning Voluntary Export Control in November 1962, in connection with the Treaty of Commerce Establishment and Navigation between the United Kingdom of Great Britain and Northern Ireland and Japan which was ratified in 1963; which product groups are now the subject of control as a result of direct Board of Trade intervention; and which product groups are controlled as a result of negotiations between the respective industries in this country and Japan.

Mr. Mason: Discussions took place in 1963, 1964 and 1965 on the quotas for items listed in the Exchange of Notes. The only other product now subject to voluntary export control, as a result of our intervention, is stainless steel tableware, which was freed from import restrictions on 1st January, 1966. I am not aware of any control imposed as a result of negotiations between British and Japanese industry.

Mr. Osborn: Is the hon. Gentleman aware of the growing adverse balance of payments on visible trade? What is his view about that? What is the position with regard to the cutlery industry? Is he taking steps to avoid re-exports through third parties in other countries?

Mr. Mason: In answer to the hon. Gentleman's point about cutlery, he should know that if the Japanese voluntary export control fails to prevent serious injury to British cutlery manufacturers we can invoke the safeguard provisions of the first protocol to the Treaty; and that seems to be a sufficient safeguard.

#### Advertisement

45. Mr. Francis Noel-Baker asked the President of the Board of Trade what action he took in respect of an illegal advertisement, referred to him by the hon. Member for Swindon on 25th August last, which contravened the Advertisements (Hire Purchase) Act, 1957; for how long the illegal advertisement appeared; what information he has concerning other similar advertisements; for how long such advertisements appeared; and what action he will take to prevent similar offences in future.

Mr. Darling: The directors of the company concerned and its advertising agents were interviewed and agreed to change their advertising to comply with the requirements of the Act. This they appear to have done. Similar cases which are brought to the Board's attention are investigated.

Mr. Noel-Baker: With respect, my hon. Friend has not said for how long the advertisement appeared. Does he consider it enough to interview people who are breaking the law? Why was not a prosecution instituted?

Mr. Darling: Because we thought that we could get the advertising changed much more quickly this way.

Mr. Noel-Baker: On a point of order. In view of the unsatisfactory nature of the reply, I beg to give notice that I will raise the matter on the Adjournment.

## Amalgamated Dental Co. Ltd.

46. Mr. Kenneth Lewis asked the President of the Board of Trade what steps he will take to prevent United States interests securing control of more than 70 per cent. of the British dental manufacturing industry, thus cutting out part of the export trade, through the proposed take-over of Amalgamated Dental Company Limited by Dentists Supply Company of New York.

Mr. Darling: On 10th February, my right hon. Friend referred to the Monopolies Commission the proposed acquisition of the Amalgamated Dental Co. Ltd. by either the Dentists' Supply Co. of New York or the Dental Manufacturing Co. Ltd.

Mr. Lewis: Is the hon. Gentleman satisfied that his right hon. Friend has the power to preserve the status quo with these companies while they are before the Monopolies Commission? If not, will he urge the Monopolies Commission to take power to ensure that the status quo is preserved, otherwise it is no good bringing the matter before the Commission?

Mr. Darling: My right hon. Friend has this power under the Act and any merger can be stopped. No merger can then take place until the Monopolies Commission has reported.

## INDIA (FAMINE RELIEF)

Q1. Mr. Chataway asked the Prime Minister if he will make a statement on his discussions with the Commonwealth Prime Ministers about the threat of famine in India.

Q10. Mr. Philip Noel-Baker asked the Prime Minister what response Her Majesty's Government have made to the appeal by the Secretary General of the United Nations and the Director General of the United Nations Food and Agriculture Organisation for help to the Indian Government to meet the famine which now threatens 100 million people.

The Prime Minister (Mr. Harold Wilson): Her Majesty's Governments in the United Kingdom, Canada, Australia and New Zealand and a number of Governments of non-Commonwealth countries

are already in close touch with each other and with the Government of India about the threatened famine. As the House is aware, we, for our part, have made an immediate and interim contribution in the form of an interest-free loan to India of £7½ million.

Mr. Chataway: Is the Prime Minister satisfied that in the weeks since my right hon. Friend the Leader of the Opposition called for a special programme of help to relieve the famine the British and other Commonwealth Governments have done all that they can to ensure an expansion of the capacity of Indian ports and an increased supply of vitamins, and so on? Will he confirm that the £7½ million to which he referred falls almost wholly within sums already pledged to India? Will he agree that there is a genuine—

Mr. Speaker: Order. Even supplementary questions to the Prime Minister must be short.

The Prime Minister: While welcoming, as I did, the Leader of the Opposition's statement, the special programme of aid started before he made his statement. Only today the Australian Government, with whom we have been in touch this week, have announced a very big shipment of food to India in addition to what everyone else is doing.

Mr. Noel-Baker: While congratulating my right hon. Friend on the action which the Government have already taken, may I ask him whether he will consider that this is not only a gigantic humanitarian problem but a gigantic political problem and that if the West fails to give adequate help to Mrs. Gandhi the results, both short term and long term, may be very grave, and, if necessary—

Mr. Speaker: Order. I think that that is long enough.

The Prime Minister: I agree with what my right hon. Friend has said. Although as he said the Leader of the Opposition and I said in the recent debate, the problem is above all a problem of port capacity and of internal distribution, some very massive shipments of food are being organised.

Mr. Heath: Will the Prime Minister recognise that the help which the Government are giving, which he describes as £7½ million, consists of £6 million which

was already pledged for normal economic development in India separately from the famine relief? Therefore, the only additional amount which the Government are making available is £11 million. Does the right hon. Gentleman think that this matches up to the scale of the problem in India? Secondly, will he assure us that he will, if necessary, make available from the strategic stocks which we have the port handling equipment which he has said is one of the greatest needs?

The Prime Minister: The right hon. Gentleman has made the first point before. We thought it right to re-allocate that part of the aid for this purpose because we are dealing with an emergency and not long-term development. If the right hon. Gentleman feels that we should increase in total the amount of aid, that is a matter which could be considered at any time within the overall ceiling on Government expenditure, which I hope he supports.

## SECRETARY OF STATE FOR EDUCATION AND SCIENCE (SPEECH)

Q2. Mr. Hornby asked the Prime Minister whether the public speech of the Secretary of State for Education and Science on comprehensive education delivered at Harrogate on 7th January, 1966, represents the policy of Her Majesty's Government.

The Prime Minister: I answered this Question on 8th February, Sir.

Mr. Hornby: Is the Prime Minister aware that his reply on that date still left the position very far from clear, with particular regard to the future position of the direct grant schools? Would not he agree that it would be much wiser if both he and his Ministers began to talk in terms of re-opening and extending the list of direct grant schools rather than threatening closure?

The Prime Minister: I thought I dealt with this matter the last time that it was raised and referred to the position of direct grant schools. I also invited hon. Members to put detailed questions to my right hon. Friend the Secretary of State for Education and Science if they wished. I am glad, however, that the right hon. Member for Birmingham, Handsworth (Sir E. Boyle) has given his support to the policy.

## CIVIL SERVICE (INOUIRY)

Q3. Mr. Onslow asked the Prime Minister whether he will set up an inquiry into the organisation and efficiency of the Civil Service.

The Prime Minister: I have, Sir.

Mr. Onslow: While welcoming the fact that the Prime Minister has already yielded on this point, may I ask him whether he will assure the House that this inquiry will not be used as a pretext for putting off necessary reforms and reductions? Will he also assure us that there is nothing in the terms of reference of this inquiry which preclude the speedy setting up of specialist Parliamentary committees?

The Prime Minister: The second point raised by the hon. Gentleman goes far beyond this Question. It is a matter which has been considered by the various bodies of the House concerned with this question. I did not yield to anybody. I announced the setting up of the inquiry as soon as I was ready. I had been working on the matter for some time.

Mr. Heath: Does the Prime Minister still adhere to his oft-repeated remark that we have the best Civil Service in the world, or does he share the views, published today, of his Parliamentary Private Secretary condemning the British Civil Service outright? If he does not share those views, will he now repudiate them?

The Prime Minister: I could see that question formulating in the right hon. Gentleman's mind. I stand exactly by what I have said on a number of occasions. What I have been wondering since we came to power is why this superb Civil Service machine was so badly used by right hon, and hon. Members opposite.

### RHODESIA

Q5. Mr. Evelyn King asked the Prime Minister whether he will now arrange for a group of Privy Councillors, selected from all parties, to visit Rhodesia.

The Prime Minister: I do not think this is the right time, Sir.

Mr. King: Was not this the Prime Minister's own suggestion? Will he accept that the negative policy of imposing hardship and unemployment on 4 million helpless Rhodesians is arousing growing distaste? Will he seek to do something constructive?

The Prime Minister: Distaste is a feeling that occurs to some of us on other matters. We have had a Privy Councillor in Rhodesia this week. We hope to hear from him when he finally gets back. He did not arrive in time for last night's debate, for reasons which we all under-" Oh."]-for stand—[Hon. Members: reasons we all understand and which were forecast. One thing that bears on the timing of this, which was my idea, is that if Privy Councillors when they go to Rhodesia are not allowed to see the people they ask to see, this might diminish the value of a visit by a Privy Councillor.

Mr. Snow: Is my right hon. Friend aware that whereas a parliamentary delegation would probably be desirable at the right moment, the fact that it is composed of Privy Councillors will not be met with undiluted enthusiasm from all quarters?

The Prime Minister: I am prepared to consider that. The House will, of course, know that I proposed a mission of Privy Councillors to Mr. Smith as long ago as December 1964 and that it was simply rejected by him at that time. I should like to see more signs that Privy Councillors will be allowed to meet the people they want to meet if we make such a proposal.

Mr. Heath: Is the Prime Minister aware, as I have already stated in public, that all the information which my right hon. and learned Friend the Member for Wirral (Mr. Selwyn Lloyd) has been able to obtain during his ten days in Rhodesia will be made available to the Prime Minister and the Commonwealth Secretary if they so wish, but that the cheap sneers which the Prime Minister has just made do not give one any confidence that they will receive proper consideration?

The Prime Minister: The words I used were based on the assumption that

the right hon. and learned Gentleman would be desirous of reporting to everyone concerned with the Rhodesian problem. I am a little concerned to know—perhaps we can be reassured on this—whether the right hon. and learned Gentleman has made quite plain, as the Leader of the Opposition himself said in a public statement, I think in Punch, that there should be no question of negotiating with Mr. Smith until he calls off the illegal independence. I should like to know whether the Opposition stuck to that in Rhodesia.

Mr. Shinwell: Contrary to what my hon. Friend the Member for Lichfield and Tamworth (Mr. Snow) has said, is it not the general opinion of the House that if all the Privy Councillors were sent business would be expedited?

# CHANCELLOR OF THE EXCHEQUER (SPEECH)

Q6. Mr. Gibson-Watt asked the Prime Minister whether the public speech of the Chancellor of the Exchequer at the International Boat Show at Earl's Court about the balance of payments and holidays abroad on 5th January represents Government policy.

The Prime Minister: Yes, Sir.

Mr. Gibson-Watt: The Chancellor is apparently against people in this country taking holidays abroad on the ground of cost. As there is public concern about this, particularly in the tourist industry, will the Prime Minister give the assurance that it is not the Government's intention to restrict holidays abroad?

The Prime Minister: It is the duty of the Government to limit overseas expenditure in any way we can. Therefore, voluntary action—I emphasise voluntary action—by residents of this country to limit expenditure on foreign exchange is perfectly reasonable and a reasonable thing for the Chancellor to suggest in his speech. Certainly, I can confirm that we do not propose any statutory or similar action on this matter. As the hon. Member will know, it is already covered by our obligations under the International Monetary Fund and, I think, O.E.C.D.

#### SOCIAL SECURITY

Q7. Mr. Hamling asked the Prime Minister what representations have been made to him on proposals to abolish the comprehensive principle in social security provisions as recommended in the Beveridge Report and embodied in the social insurance schemes enacted since the war; and what replies he has sent.

The Prime Minister: None, Sir, outside the lunatic fringe of my correspondence.

Mr. Hamling: Will my right hon. Friend resist all attempts to introduce two systems in social welfare, a lavish one for the wealthy and minimal standards for the poor?

The Prime Minister: Our position has been made clear by Ministers on a number of occasions. While all of us want to encourage self-help schemes, to suggest that the country's social security can be safeguarded on the basis of occupational schemes and by an introduction of the means test for the rest is completely abhorrent to what we stand for.

## GENERAL SERVICE MEDAL (ADEN OPERATIONS)

Q8. Mr. Ronald Bell asked the Prime Minister whether he will recommend that the grant of the General Service Medal shall apply, subject to appropriate conditions, to officers and men of the Armed Forces who have taken part in recent operations in Aden.

The Prime Minister: This matter is under consideration, Sir.

Mr. Bell: Will the Prime Minister bear in mind that many of these men have been giving arduous and dangerous service under active service conditions and that it would, I am sure, give great pleasure in all parts of the House and in the country if he were able to reach a favourable decision on this matter?

The Prime Minister: I fully agree with what the hon. Member has said in the introduction to that question. As he will know, the grant of the General Service Medal for specified service in the Radfan operations was approved by Her Majesty and announced last July.

### PARLIAMENTARY COMMISSIONER

Q9. Mr. Pounder asked the Prime Minister if the proposed post of Parliamentary Commissioner will be open to women.

The Prime Minister: Yes, Sir.

Mr. Pounder: Not even the Prime Minister could say "No" to a woman. Would he not agree, however, that there are many women who have the qualifications, experience and qualities which make them well suited for the post of Parliamentary Commissioner?

The Prime Minister: In reply to the preamble to that question, not only myself but most of my predecessors have sometimes had to say "No" with the greatest regret to the hon. Lady the Member for Tynemouth (Dame Irene Ward). We can do it when we have to. I am of course completely aware of what the hon. Member has said. What we have to do is to choose the best man or woman for the job regardless of the sex to which he or she belongs.

Dame Irene Ward: May I congratulate the right hon. Gentleman for once? Women always want either the best man or the best woman for the job, but they do want equal opportunity.

The Prime Minister: I assure the hon. Lady that that will be the intention concerning this post. She has, however, probably noticed the Clause in the Bill which, under the ancient laws of our country, would preclude any serving Member of this House from being appointed to the post.

Mr. Grimond: Is the Prime Minister aware that this is indeed a most suitable post for a woman, who is far better able to create an effective row than most men, and that if he would get in touch with me in confidence I should be delighted to give him a short list of suitable women?

The Prime Minister: While hoping that the right hon. Gentleman's last few words will never be quoted out of context, here or anywhere else, I should certainly be prepared to receive any list of persons whom it would be suitable to appoint, be they men or women.

Mrs. Anne Kerr: I should like to thank my right hon. Friend for his first response to this Question. I wonder whether he is aware that very large numbers of women's organisations and also of individual women feel strongly on this matter and would very much like to see a woman appointed to the post, and that they feel, moreover, that women should be appointed to whatever type of board this organisation sets up.

The Prime Minister: The board will, of course, be a Select Committee of this House, which, like the original appointment, will be open to all on grounds of merit.

## BRITISH RAILWAYS (PAY CLAIM)

Q11. Sir T. Beamish asked the Prime Minister what assurances were given to the National Union of Railwaymen Executive, their Chairman or their General Secretary on Friday, 11th February, with regard to the suggested negotiations about pay and conditions of service, that had not been given previously.

The Prime Minister: None, Sir.

Sir T. Beamish: Is the Prime Minister aware that two very different versions of what took place on Friday have been given? Is he aware that Mr. Sydney Greene has made it absolutely clear that the strike would have been called off on Saturday in any case, whereas Mr. Jones, a leading member of the N.U.R. Executive, made it equally clear that it was only the Prime Minister's undertaking, which changed the whole financial structure of the railways and would give different terms of reference to the Chairman, that led to the withdrawal of the strike notice? Which is the correct version, the version implied by Mr. Greene, the "put-up job"-

Mr. Speaker: Order. The Prime Minister.

The Prime Minister: I am well aware of what was attributed to Mr. Greene in a certain newspaper. I am well aware of his views on that statement which was attributed to him. The position is that it was very much touch and go and that the likelihood was that there

would have been a strike but for what happened on Friday evening.

As to the pay review and the Prices and Incomes Board, nothing was offered that evening that had not been offered in the previous discussions with Ministers earlier in the day and on the previous day. This was one of the big issues, because they thought there might be more to offer, and there was none to offer.

We have suggested that there should be a fresh look at the whole system of wage negotiations, its structure and, ultimately, the wages structure arising from that, in order to link productivity much more directly with pay and also to take account of the other factors which have been mentioned, including the lower-paid workers.

Mr. Popplewell: Is the Prime Minister aware that the allegation made about the statement of Mr. Sydney Greene is a gross distortion and the worst possible example of Press misreporting, and would it be my right hon. Friend's opinion that this type of grossly distorted reporting would be a suitable matter to refer to the Press Council for investigation?

The Prime Minister: I very much doubt that. What I think Mr. Greene was saying was that it was not a simple vote whether to go on with the strike definitely or to call it off. But the minority here, after all the discussion—and certainly not before—took the view that there should be further negotiations on the Saturday in the hope still of extracting a little more money on this pay offer. I had made it clear that that was not forthcoming, and that is what I think Mr. Greene meant in his statement.

Mr. Heath: Leaving aside the question of Press interviews, the official resolution passed by the N.U.R., after listing the special arrangements that were being made, said that the strike notices were being withdrawn on the understandings given by the First Secretary and the Prime Minister. What were those precise understandings, and do they include increases in wages as a result of the review of the structure next autumn?

The Prime Minister: The understanding, so far as my right hon. Friend was concerned, was the point that I confirmed, namely, the proposal to bring the pay increase forward by a month from October

to September. On that, no change was made. The understanding that was referred to when they referred it to me was that there should be discussions-a long cool look now at the whole basis of negotiations—to relate productivity to the other things that I have mentioned. It was in light of that that I think this reference was made. It did not involve any undertaking at all. Indeed, I categorically rejected the idea that this would affect any pay settlement in process between now and next September. If we can get a new structure and relate pay to productivity, that would create a different situation in a later round, but not for the

Mr. Frank Allaun: Rather than squeeze the economy of the railwaymen, many of whom are taking home less than £11 a week, would it not be better to squeeze our overseas arms spending, since it is the latter that is causing our economic and balance of payments difficulties, and not the railwaymen's wages?

The Prime Minister: I think that my hon. Friend will have an opportunity of seeing what is being done in that direction when he sees the White Paper which is to be published next week. Though I yield to none in the House or anywhere else about the very low pay that some railwaymen get, I still believe that higher wages could be paid on the railways if we linked pay settlements to productivity more than we do.

Sir M. Redmayne: Will the Prime Minister give a promise that he will undertake that the British Railways reshaping plans will either be abandoned or preferably modified?

The Prime Minister: What my right hon. Friend the Minister of Transport said was that the whole question of the integration of transport which had been destroyed ten years ago is very much to the fore in our work at the present time. I did say what I believed to be right, that fundamental changes will have to be made in the 1962 Act for which right hon. Gentlemen opposite are responsible.

Sir M. Redmayne: Are we to assume that "integration' means that the reshaping plans are to be abandoned?

The Prime Minister: If by "reshaping plans" the right hon. Gentleman means

the closure policy, the position on that has been announced several times from this side. There is no abandonment of the policy as enunciated by us—not as enunciated by the previous Government. But, by "integration" we mean that the system, under which the railways have been driven unnecessarily into a position where they cannot pay their way while other sections of the transport industry are very profitable and not brought into the same reckoning, must be ended at the earliest opportunity.

## Several Hon. Members rose-

Mr. Speaker: Order. We must get on. Mr. Heath, business statement.

## BUSINESS OF THE HOUSE

Mr. Heath: May I ask the Leader of the House to state the business of the House for next week?

The Lord President of the Council (Mr. Herbert Bowden): Yes, Sir. The business for next week will be as follows:

Monday, 21st February—Second Reading of the Companies Bill.

TUESDAY, 22ND FEBRUARY—Second Reading of the Commonwealth Secretariat Bill [Lords].

Motions on the Wool Textile Industry (Scientific Research Levy) and (Export Promotion Levy) Orders, and on the Functions of Traffic Wardens (Scotland) Order.

Wednesday, 23rd February—Debate on the Welfare State, on a Government Motion.

THURSDAY, 24TH FEBRUARY—Remaining stages of the Rating Bill, and also of the Statute Law Revision Bill [Lords] and the Mines (Working Facilities and Support) Bill [Lords], which are consolidation Measures.

FRIDAY, 25TH FEBRUARY—Private Members' Bills.

MONDAY, 28TH FEBRUARY—The proposed Business will be: Debate on Leasehold Reform, on a Government Motion.

Mr. John Hynd: On a point of order. May I be permitted to ask the Leader of the House whether his attention has been called to a report in today's Evening Standard which gives the business for

next Wednesday and the following Monday, and to ask whether it is in order for the information to be released before it is given in the House?

Mr. Speaker: That is not a point of order for me. The hon. Gentleman can put his question as a question to the Leader of the House in the ordinary course of business questions.

Mr. Heath: May I ask the Leader of the House for an assurance that when the Secretary of State for Defence returns from his visit to Washington he will then immediately make a statement to the House about that visit?

Secondly, we notice that in the business which the Leader of the House has announced there are debates on Wednesday of next week and on Monday of the following week. Despite all the pressure of legislation before the House, and also the immense pressure from various right hon. and hon, Members for debates on their own specific subjects, the Government are taking time for these two debates, one on the Welfare State, and the other on leasehold reform.

While we particularly welcome the debate on the Welfare State, in answer to the initiative that we have taken on this side, can the Leader of the House say whether White Papers are to be presented before each of those debates on which the House can base its discussions, or what is to be the procedure? Can there possibly be any other ulterior motive?

Mr. Bowden: The right hon. Gentleman is obviously rather worried. On his first question, I will ask my right hon. Friend the Minister of Defence if he is prepared to make a statement when he returns about his discussions on N.A.T.O.

Secondly, it is because of the pressure of business, as the right hon. Gentleman will probably realise as a former Chief Whip, that at present, with seven Standing Committees, it is easier for me to get over promised debates and return to legislation a little later. For that reason, we are taking the debate on the Welfare State on Wednesday and the debate on leasehold reform on Monday of the following week.

The debate on leasehold reform will take place on a White Paper which, I hope, will be available tomorrow.

The debate on the Welfare State will be on a Government Motion. It is hoped during that debate that we shall elicit from the Opposition their views on the Welfare State, following their recent publication.

Mr. Heath: I offer my apologies to the Leader of the House. I had not realised that the Government's legislative programme was so far behind. We welcome the debate on the Welfare State, following up the initiative that we have already taken. Can the right hon. Gentleman tell us when the Defence White Paper will be available, in order to clear up the uncertainty?

Mr. Bowden: Yes, Sir. It will be available on Tuesday of next week.

Mr. John Hynd: May I ask the Leader of the House whether his attention has been drawn to today's Evening Standard announcement that the Cabinet decided yesterday that the business for next Wednesday and the following Monday would be as announced in the House today? Will he tell us how that information came to be released to the Press before his statement in the House?

Mr. Bowden: I can assure my hon. Friend that the business had not been decided by the Cabinet yesterday. I cannot be responsible for any information that the Press might glean as to what is likely to take place.

Dame Irene Ward: Arising out of Wednesday's proposed debate on the Welfare State, may I ask the right hon. Gentleman whether we may expect the result of the Government's review on all the social services? Are we to have a White Paper on that ready for the debate on the Welfare State, because without the facts from the Government how are we to debate the subject properly?

Mr. Bowden: I think that the hon. Lady should await the Government's Motion. I have said that there will not be a White Paper for Wednesday's debate.

Mr. Rose: May I draw my right hon. Friend's attention to Motion No. 135, in the names of my hon. Friend the Member for Salford, West (Mr. Orme) and a number of my other hon. Friends?

[Mr. Rose.]

[That this House urges Her Majesty's Government to set up a Royal Commission to inquire into the working of the Government of Ireland Acts 1920-1949, with particular reference to electoral franchise, boundaries and malpractices, the continued operation of the Special Powers Act, and religious discrimination in housing and employment; regrets the inaction of past Governments in relation to industrial development in Northern Ireland; and deplores the opposition of Ulster Unionist Members of Parliament to much needed measures of social legislation introduced by the Labour Government and not applicable to Northern Ireland.]

Because of constitutional conventions this matter has not been discussed within the scope of other debates on Northern Ireland. Will my right hon. Friend find time for a full debate on this important topic?

Mr. Bowden: No, Sir. I cannot promise time. I think that we had better leave the position where it is, because successive Governments have decided not to intervene here. It would need a major overhaul, probably a Royal Commission. Nevertheless, it is a fact that 12 Northern Ireland Members take part in our deliberations and vote on matters with which Northern Ireland is not concerned.

Mr. Thorneycroft: Does the right hon. Gentleman recall that on 7th December last he gave an undertaking to give further consideration to a debate on the White Paper on the Parliamentary Commissioner, in advance of legislation being framed? The Government have now published the Bill without any further consultations or debate in the House. Does not the right hon. Gentleman think that this falls a little below the level of courtesy which the House has a right to expect?

Mr. Bowden: I recall making that promise, but I was not aware at that time how near the Bill was to publication. I intended to take the debate on the Second Reading of the Parliamentary Commissioner Bill the week after next. We might discuss this through the usual channels. If the right hon. Gentleman would still prefer to do it on a White Paper, that may be done.

Mr. Palmer: May I draw my right right hon. Friend's attention to Motion No. 71, which deals with a Select Committee on Scientific Policy? It is in my name and that of other hon, Members of the Parliamentary and Scientific Committee, and is now supported by 53 hon. Members on both sides of the House.

[That, to enable this House to establish more effective scrutiny of scientific and technological policy, a Select Committee, with the normal powers to hear evidence and make reports to the House, should be appointed to examine the annual reports of the Councils of the Privy Council for Research, the Atomic Energy Authority, the National Research Development Corporation and similar bodies.]

Can my right hon. Friend say whether time can be provided for a debate on this subject, or, alternatively, whether any progress has been made through the usual channels?

Mr. Bowden: I cannot promise a debate. Discussions are taking place, and have done, through the usual channels. There are physical difficulties about setting up another Select Committee. One suggestion was that we might add to the terms of reference of the Select Committee on Nationalised Industries. That is one way of dealing with it, but no firm decision has been taken.

Mr. Ramsden: Is it proposed to have a separate day's debate next month on each of the three Service Estimates, as in previous years?

Mr. Bowden: The usual procedure is a two-day debate on the Defence White Paper about 10 days after publication, then a day on each of the Services, and a fourth day on the Service Money Votes.

Mr. Duffy: Will my right hon. Friend consider having an early debate on regional economic development? It is two years since the House had its last debate on this subject, and since then the state of the Yorkshire economy has weakened and is now a matter of special concern to Yorkshire Labour Members.

Mr. Bowden: I cannot promise a debate on that. It might fit in during the Easter Adjournment debates. Perhaps we can consider that.

Mr. William Clark: Is the right hon. Gentleman aware of the various leaks

to the Press about the proposed double axation agreement between this country and the United States? Is he further aware that this is causing considerable difficulty in the City and in the professions? Would it not be better to have the agreement put before the House next week, rather than have this dribbling out of information from the Government through the Press?

Mr. Bowden: I would prefer to check on that before making any comment at all.

Mr. Raphael Tuck: Has my right hon. Friend given earnest consideration to the possibility of having a debate in the not too distant future on the Brambell Report?

Mr. Bowden: The House has had one short debate on this matter. There was to have been another one tomorrow, but it has been withdrawn. I have promised to try to arrange a half-day debate. I shall keep to that, but I cannot promise anything immediately.

Mr. Boyd-Carpenter: Last week, on the ground that he had no time available, the right hon. Gentleman rejected a request to gratify the Minister of Housing and Local Government's apparent desire to try to vindicate himself in respect of the censure imposed on him by the Council on Tribunals in the Islington case. As he now obviously has plenty of time for general debates, can he arrange this?

Mr. Bowden: It is a matter of opinion—and it is not mine—whether the Government have plenty of time. We have not. I cannot move from the position which I took last week. I cannot at the moment promise a debate on this matter.

Mr. Atkinson: Is my right hon. Friend aware of the growing anxiety throughout the country in connection with the Press and advertising? May I ask whether his attention has been drawn to Motion No. 67, signed by more than 100 Members?

[That this House views with concern the concentration of advertisement placing, both commercial and official, in fewer and fewer newspapers, to the detriment of the others; draws the attention of Her Majesty's Government to the statement by the President of the Advertising Association, Lord Robens, in the Sunday Citizen on 12th December, 1965, that advertising revenue forms a substantial part of the income of newspapers and periodicals and that advertisers, with their large stake in the fortunes of the Press, must therefore bear some responsibility for maintaining its variety and vigour; and calls upon all national advertisers, including Her Majesty's Government, so to diversify a proportion of their advertising as to make a significant contribution to ensuring the independence of existing newspapers and periodicals and an increasing freedom of choice for the public.]

Can my right hon. Friend promise a debate on this subject?

Mr. Bowden: No, Sir. I have replied to this point on two previous occasions. I cannot promise a debate. The matter has been looked at by a Royal Commission, and we will have to leave it there at the moment.

Captain Elliot: Is the right hon. Gentleman aware that it was widely understood, both in the House and in the country, that the Chancellor of the Duchy of Lancaster, backed by all the Government's resources, was engaged on an exhaustive study of the social services? Is it not therefore extraordinary that we in this House are not to be given information about the results of his work before the debate on Wednesday, so that we can take advantage of his investigations and have a sensible debate?

Mr. Bowden: My right hon. Friend is still engaged in his studies, but no doubt during Wednesday's debate the House will learn a little more about the progress which is being made.

Mr. Alfred Morris: Is my right hon. Friend aware that although there is not an early-day Motion calling for a debate on the North-West Study, many hon. Members on this side of the House would very much appreciate an early opportunity of discussing this important Report?

Mr. Bowden: I shall bear that in mind, along with many other requests.

Mr. Goodhew: Has the right hon. Gentleman noted Motion No. 125, on the Defence Review, which is signed by 175 of my right hon. and hon. Friends?

[Mr. Goodhew.]

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[That this House deplores the alarm and uncertainty which have been created both in the services to the detriment of morale and recruitment and also among the general public, by the Government's protracted delay in announcing crucial defence decisions and by the consequent continuing spate of humours regarding their intentions.]

Can he give an assurance that we will have an opportunity to debate the Defence White Paper in this Parliament?

Mr. Bowden: That Motion, Motion No. 126—

[That this House deplores the impending destruction of Great Britain's naval capacity both at sea and in the air, which safeguard this country's essential interests and those of Commonwealth and other allied countries throughout the world.]—

and a number of others on defence will be in order during the debate on the Defence White Paper.

Mr. Hawkins: Has the right hon. Gentleman's attention been drawn to Motion No. 128 on alleged steering defects in B.M.C. cars?

[That this House, aware of the public disquiet over an alleged steering defect of Austin 1100's, urges the Minister of Transport to undertake an immediate inquiry into the true facts.]

In view of the grave disquiet in the country due to the Ministry's statement about having warned this company in May, 1964, will the right hon. Gentleman provide time for a debate on this urgent matter?

Mr. Bowden: I cannot promise a debate, but I realise the urgency and importance of this matter. At this moment -and I mean today-a full investigation is being carried out by the Ministry of Transport, B.M.C., and other interested people, and my right hon. Friend the Minister of Transport will make a statement immediately a report is issued from that meeting. In view of its urgency, my right hon. Friend will make the report to the Press if the House is in recess over the weekend when the investigation is complete. It is extremely urgent that this matter should be resolved one way or the other.

Mr. Bruce-Gardyne: Can the right hon. Gentleman say what the Government's plans are for the introduction of legislation on the early-warning system, or has this been abandoned?

Mr. Bowden: The Bill will be presented on Thursday of next week.

Mr. David Steel: Can the right hon. Gentleman say whether he will encourage a debate in the Scottish Grand Committee on Motion No. 124 about a Royal Commission on government in Scotland?

[That this House, noting the Prime Minister's announcement of a separate Royal Commission on Local Government in Scotland whose terms of reference are not yet determined, calls instead for a wider Royal Commission to examine the whole structure of the government of the people of Scotland, including not only local government reform but the structure of possible regional government within Scotland, the relationship between Scottish administration and the United Kingdom Exchequer, and the case for establishing a Scottish parliament for Scottish affairs.]

If this is not possible, will he convey to the Prime Minister the terms of the Motion, together with yesterday's editorial in the *Scotsman* commending our suggestions?

Mr. Bowden: On the question of a debate in the Scottish Grand Committee, perhaps through his Chief Whip the hon. Gentleman will communicate through the usual channels, and we will see what can be done to help.

Mr. Edward M. Taylor: When do the Government expect to receive the Geddes Report on shipbuilding? In view of the serious position in the industry, can the right hon. Gentleman assure us of an early debate after its publication?

Mr. Bowden: We had better await the Report and talk about a debate afterwards.

Mr. McMaster: Can we conclude from the right hon. Gentleman's earlier reply that it is the intention of the Government to set up a Royal Commission to inquire into the rights of Ulster Members? If there is to be such a Royal Commission, will the Government, at the

same time, set up a Royal Commission to inquire into the rights of English, Scots and Welsh Members to debate and vote on matters which are the exclusive concern of each group?

Mr. Bowden: I have not announced that the Government are likely to set up a Royal Commission on Northern Ireland or on the other parts of the country.

Mr. Bessell: Further to the point raised by the hon. Member for Nottingham, South (Mr. William Clark) on the problem of double taxation, may I ask the right hon. Gentleman whether there is a possibility of a Government statement on this at an early date, because this is causing anxiety not only in the City, but in the United States, and may well be damaging Anglo-American trade relations and preventing the investment of dollars here which would be valuable to our economy?

Mr. Bowden: I have already said that I will look at this and do what is possible. I appreciate the urgency of the matter.

# ORDERS OF THE DAY

NATIONAL INSURANCE BILL Considered in Committee [Progress 16th February].

[Sir Samuel Storey in the Chair]

Clause 7.—(ASSESSMENT OF DISABLEMENT.)

Question again proposed, That the Clause stand part of the Bill.

Mr. Kenneth Lewis (Rutland and Stamford): On a point of order, Sir Samuel. Last evening, when we were discussing Clause 6, I referred to certain matters arising out of it about which I had some doubt. The Clause was then disposed of, and I went upstairs to put down an Amendment which I could move on Report. I now understand that there may not be a Report stage, in which case I shall not be able to raise this matter again as fully as I did last night. Will you take this fact into account, Sir Samuel, when we discuss the new Clauses, so that I may return to the point which I was seeking to make last night? Can this be done when we reach the first of the new Clauses on the Notice Paper?

The Chairman: No point of order arises at the moment. We are discussing the Question, "That Clause 7 stand part of the Bill". I cannot give any ruling as to what will happen when we reach the new Clauses.

Mr. Lewis: In that case I shall seek to raise this matter on the Question. "That the Clause stand part of the Bill."

The Clause before us deals with the assessment of disablement, and to that extent I hope that it may be connected with Clause 6. Last night we were discussing the question of the extra £3 allowances to be made under the provisions of Clause 6-

The Chairman: Order. We cannot go back to Clause 6. We have passed that now.

Mr. Lewis: The reason I have raised this matter at this stage is that there is unlikely to be a Report stage of the Bill. Will you be prepared, Sir Samuel, to arrange that there is a Report stage, so

[MR. LEWIS.] that I can move the Amendment which I sought to move last night? I can then give it to you in manuscript and my Amendment can be discussed.

The Chairman: The arrangement of a Report stage has nothing to do with me. At present, we are discussing nothing more than the Question, "That the Clause stand part of the Bill".

Dame Irene Ward (Tynemouth): I have got into rather a muddle over this. I thought that when we terminated our discussion last night-so that we could discuss the Orders on Rhodesia-my hon. Friend was discussing matters relating to Clause 7, and that, as is the normal practice when business is changed because other essential business is required to be dealt with, the hon. Member who had the Floor when the debate was cut off was allowed to continue his speech when the Committee returned to the debate. I do not understand why that has not happened in this case.

The Chairman: In the first place, the hon. and learned Member who was in possession of the Committee is not in my vision at present. All that we are now discussing is the question, "That the Clause stand part of the Bill."

Mr. Lewis: May I ask you, Sir Samuel, how an hon. Member on either side, in a situation of this kind, can make a point on Report in respect of a Clause that has been passed in Committee, when, as I am informed, there is unlikely to be a Report stage?

The Chairman: It is not for the Chair to give guidance to hon. Members as to how they should raise matters in the House or Committee. We have passed Clause 6 now. Whether there is a Report stage is a matter for the Committee.

Mr. Lewis: I am sorry to press this matter, Sir Samuel. I do not think that this is a matter for the Committee. Can you tell me how this Committee, or the House, can ensure that there is a Report stage on the Bill? I would like to have a Report stage. If there is no Report stage there will be no opportunity for a discussion, which should be available to hon. Members. I think that I am right in asking you to protect me, as a back bench Member, so that I am enabled to put my point of view.

The Chairman: I can only repeat that it is no business of the Chair to arrange a Report stage. The hon. Member cannot now raise matters which he did not raise at the proper stage. We have now discussed Clause 6 and passed from it. and we cannot go back at present.

Committee

Sir Keith Joseph (Leeds, North-East): Can the Minister expedite this part of the proceedings, to help my hon. Friend in what is a very legitimate interest, by making some reference, in the Third Reading debate, to the point in which he is interested? Can she also make it possible, when the Bill goes to another place, for the point of substance which my hon. Friend has in mind, in the light of her comments on it, to be considered during the various stages of the Bill there? I hope that my hon. Friend will find that helpful. Will the Minister consider making some reference, in her Third Reading speech, to my hon. Friend's legitimate point?

The Minister of Pensions and National Insurance (Miss Margaret Herbison): I will help if I can, but this will depend on whoever is in the Chair when we reach Third Reading. I may be ruled out of order. If not, I shall be most willing to refer to this matter. I thought that a sufficient explanation had been given to the hon. Member, and that if he were interested he would have read the McCorquodale Report and discovered what that Comittee had proposed, and how we have carried its proposals out. But if I can help in my Third Reading speech I shall be most happy to do so.

Mr. Kenneth Lewis: Further to that point of order. It is because I have read the McCorquodale Report-

The Chairman: There is no point of order before the Committee. The hon. Member is not speaking further to any point of order.

Mr. Lewis: On another point of order, Sir Samuel. Arising out of what the right hon. Lady has said, may I point out that it is because I have read that Report, in the light of her remarks, that I want to raise this matter. I shall be quite happy so long as I am allowed to mention it en route in the proceedings of the Bill. The reason that I have raised this point of order is in order that you, Sir Samuel, will understand the difficulty

that I was in last night and the difficulty that I am in now. Provided that the matter can be raised without my being called to order in future, I am quite happy.

4.0 p.m.

The Chairman: There is no point of order before the Committee. What happens in the Third Reading debate can be dealt with only when we reach that stage of the Bill. We have passed Clause 6, and we cannot deal with this matter at present.

Question put and agreed to.

Clause ordered to stand part of the Bill.

Clauses 8 and 9 ordered to stand part of the Bill.

# Clause 10.—(Provisions as to EVIDENCE.)

Question proposed, That the Clause stand part of the Bill.

Sir K. Joseph: Subsection (5) of the clause raises the rather delicate issue of non-disclosure to a person of medical evidence. We understand that the officials have to balance the two interests when deciding what to disclose and what not to disclose. Could the Minister tell us whether there is anything new in the proposed regulations, or whether this is just the usual balancing of the personal interests of the individual against the danger of psychological shock for the individual if told something too depressing? Is there anything new in this?

Miss Herbison: The right hon. Gentleman is quite correct. At present, when dealing with war disabilities, we have the power not to give information if that information might make a person more ill. We are just doing the same as far as it applies to those cases which go before the tribunals.

Question put and agreed to.

Clause ordered to stand part of the Bill.

Clauses 11 to 14 ordered to stand part of the Bill.

# New Clause.—(INVALIDITY BENEFIT.)

A sum of £1 per week shall be paid at the end of the period covered by graduated benefit so long as incapacity for work due to sickness

continues or at the end of the period under the Bill for which but for low earnings or the 85 per cent, rule graduated sickness benefit would have been paid, and shall be disregarded for the purpose of benefit under the National Assistance Acts.—[Sir K. Joseph.]

Committee

Brought up, and read the First time.

Sir K. Joseph: I beg to move, That the Clause be read a Second time.

The Chairman: This Clause can, I think, be discussed with new Clause 7—

Further payment on expiry of entitlement to earnings-related supplement

For so long as the interruption of their employment continues, there shall be payable to persons who have been in receipt of unemployment benefit, including earnings-related supplement, the sum of £1 per week at the end of the period of their entitlement to that supplement, or at the end of the period which, but for low earnings or the 85 per cent. rule, such earnings-related supplement would have been payable; and the sum of £1 referred to shall be disregarded for the purposes of benefit under the National Assistance Acts.

Sir K. Joseph: This new Clause proposes that extra money should be paid out of the National Insurance Fund. The Committee will remember that the Opposition tried, although unsuccessfully, to save the equivalent sum of money by means of an earlier Amendment. We are not, therefore, making any proposal to spend extra money out of the National Insurance Fund and I should like to explain our proposal.

It is that the community should make a beginning on the important task of providing some extra benefit for the chronic sick. I doubt whether there is anyone in the Committee who will disagree with the good sense of this purpose. What is at issue is when and how we can begin to carry out that purpose. At the moment, the result of the Bill is that a person who is sick either by a combination of his or her employer's sickness scheme and the graduated benefit, or by the graduated benefit alone, is provided with the flatrate sickness benefit and some additional help for the first six and a half months of any spell of sickness. But after the first six and a half months, the sick person who continues to be incapable of work because of sickness fails altogether, unless his employer has an unusually generous sickness scheme at flat-rate sickness benefit, supplemented, where the resources of the household make it necessary, by assistance from the National Assistance Board.

ISIR K. JOSEPH.

It is probably common ground that, as the weeks and months go by, most households begin to exhaust the resources which they have accumulated both in the form of financial savings and of assets on their Therefore, as sickness is prolonged, it becomes more and more important that some sort of extra benefit shall be available to them. Our proposal is that, from the end of the graduated sickness benefit period, the sum of £1 per week shall be paid for the duration of incapacity due to sickness. We do not begin to pretend that £1 is the right amount. It is on the low side, but it is a practicable and modest starting point.

There is little doubt that it would bring great benefit to the households concerned and would be much more socially relevant than the use to which the Bill proposes that the equivalent sum of money shall be put, at any rate for the next 10 years, that is by a very modest supplement to the retirement benefit.

Normally, when one makes an addition to a flat-rate social benefit, one encounters the difficulty that such a flat-rate increment brings no help whatsoever to the poorest in the community, because it merely gets deducted from the National Assistance supplement which such people receive. That is why, in the Clause, we provide that the 20s. per week proposed payment shall be disregarded for the purpose of National Assistance benefit.

Of course, if the right hon. Lady advises us that the Government accept the purpose of the Clause, but would like it withdrawn so that it can be introduced in better technical shape, we shall gladly withdraw it for that purpose.

The Clause is drawn also with the thought of the lowest-paid wage earner particularly in mind. As the Committee is aware, people who are paid sufficiently little or whose children are sufficiently many for the 85 per cent. rule to exclude them from graduated benefit would not get any graduated benefit at all and would thus be excluded from the benefit of any new Clause which merely continued the graduated benefit period of £1 flat rate in respect of the graduated benefit itself.

The Clause would provide that, where a person would have been entitled to

graduated benefit but for the circumstances of his earnings and/or the application of the 85 per cent. rule, then, from the end of what would have been the graduated sickness period had it been applicable, the £1 benefit shall be paid. The Clause, both by the provision that the payment shall be disregarded for National Assistance and by the provision to which I have just referred, is slanted heavily in favour of the lowest paid. We hope, therefore, that the right hon. Lady will look kindly on the Clause.

Committee

I hope that it will also be of some benefit to those households which suffer from incapacity of work due to ill-health but where the ill-health is due to disability rather than sickness. There is, as the Minister knows, a large number of people whose lives are crippled by disability and the Clause would bring them some benefit as well as giving it to the more normally incapable due to temporary or chronic sickness. I could go on at length, but my only other point is the possible scale of the problem.

Perhaps I have not got the right figures, but I have not seen anywhere an analysis in detail of the exact numbers of the people incapable due to sickness for different lengths of time. This may have been my fault, but I have in front of me the National Assistance Board Report for 1964, in which I find that 26 per cent. of those receiving supplement to sickness benefit were ill for more than six months and that the total number receiving supplement before sickness benefit was about 146,000 people.

Therefore, from the point of view of the Assistance Board, which covers the poorest in the land, the numbers to whom the Clause would apply would be about 35,000. I am certain that many more than this-but I do not knowhow manywould be covered by the Clause. I am sure that the right hon. Lady will give us the figures.

Mr. Kenneth Lewis: I support the new Clause and agree with my right hon. Friend the Member for Leeds, North-East (Sir K. Joseph) that the amount stated in it may not be as high as it should be. Doubtless if the Government accept it they will say what amount would be appropriate.

I particularly support the Clause because of the discussion we had last night. I am sure, arising out of that discussion, that the point I was attempting to make is not covered for a great many people and that, therefore, something extra-at least the amount stated in the Clauseis necessary. I remind the right hon. Lady of what she said last night:

"The £3 will go not only to people at home "-

She was referring to those who get the normal constant attendance allowance-"... but to pensioners and industrially disabled people in hospital who do not get this allowance".

Later, she added:

"We have carried out to the full those recommendations. . . "—[OFFICIAL REPORT, 16th February, 1966; Vol. 724, c. 1431, 1433.]

The right hon. Lady was referring to the McCorquodale Committee's recommendations which could be dealt with in a Bill of this kind. Bearing that in mind, I will quote what the McCorquodale Report stated. It made certain recommendations to the effect that the Government should consider additional allowances for certain groups of people. The first group which it recommended should receive an increase was those receiving either the exceptional or intermediate rate of constant attendance allowance. The second group contained:

". . . any others suffering from multiple disablement (whether due to one or more conditions) of which in the opinion of the Minister the net total effect is as disabling as that of pensioners receiving one of those rates. (This would cover mainly hospital cases, but would also allow the inclusion of pensioners, should there be any, who had not qualified for constant attendance allowance at the inter-mediate rate because of exceptional efforts.)"

In my view, the people in that second group are not fully covered by the Bill. Does the Minister dispute that?

Miss Herbison: Yes. As I said yesterday, the groups mentioned by the McCorquodale Committee are, from the point of view of the industrially injured, completely covered. The groups mentioned by the hon. Gentleman will be covered in the Royal Warrant; the war disabled will be covered in the same way.

4.15 p.m.

Mr. Lewis: I must, of course, accept that as being the case. However, when I compare what the right hon. Lady stated last night with the Bill it seems that a group of people will not be covered. However, many people who are in need of extra would be covered by the new Clause, remembering that they do not come within the regulations to be made under the Bill. I should have thought that there was a great deal to be said for at least considering the people in the groups I have mentioned.

Committee

I have recently been in correspondence with the right hon. Gentleman the Minister of Labour on this issue. I will quote from a letter, of yesterday's date, which I have received from the right hon. Gentleman concerning certain disabled people who are employed in sheltered workshops. The letter states:

"These residents accommodated in the centres under welfare arrangements are so severely disabled as to be capable only of diversionary occupation as distinct from employment; but I understand that committees of management arrange for payments additional to the statutory pocket money to be made available to those residents engaged on occupational work."

That letter, signed by the Parliamentary Secretary to the Ministry of Labour, shows that that Ministry believes that there is a need for additional payments to be made. If that is the view of the Ministry of Labour, should not the right hon. Lady consider this matter, particularly in relation to the new Clause, remembering that it would be far better if the money were available from the State than that these people should be at the hazard of any charity which might be provided for them?

If one considers the payments that are made-for example, the training allowances given to these disabled people one finds that a man living away from home receives £5 a week while a woman receives £4 a week. A man with a wife or maintaining an adult dependant gets £7 5s. a week. These rates are extremely low.

We are having to look after a large number of people who are unemployed or sick, but, in addition, there is a smaller number of people who are living on the poverty line. This point was made by my right hon. Friend the Leader of the Opposition in a speech recently. These are the people whom the party opposite is inclined to forget, perhaps because their numbers are not large. Do I see the right hon. Lady smiling? I trust she realises the plight of these people and the fact that the Bill does not cover

[MR. LEWIS.] their needs. For this reason, I support the Clause and warn the Government that they will be judged by whether or

not they accept it.

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The right hon. Lady has not accepted any Opposition Amendments so far. We hope that she will accept this proposed new Clause. If she does not she will be judged accordingly.

Mr. R. H. Turton (Thirsk and Malton): I support the remarks of my hon. Friend the Member for Rutland and Stamford (Mr. Kenneth Lewis). The new Clause illustrates the difficulty we have got ourselves into by this Bill being introduced before the debate on social security next week. In other words, the Bill, good as it is, is making a scheme that requires revision more anomalous by its provisions.

I cannot understand how any hon. Member can justify a state of affairs in which a man with a family who, from the 14th to the 169th day, has received a graduated supplement to his benefit, is cast back on to the basic rate after that time. I am certain that if the right hon. Lady got the approval of her colleagues she would want to see that that anomaly was not perpetrated.

The weakness of the Beveridge scheme is its failure to deal with the problem of the chronic sick. I have held that belief for a number of years. I learned it when I was at the right hon. Lady's Ministry. We therefore need a provision, such as that contained in the new Clause, to provide some form of invalidity benefit. I cannot understand why, when the war and industrially disabled are so incapacitated that they receive the constant attendance allowance, somebody who is struck by a disabling disease gets no help at all for those who must look after him.

I think of a very low-wage family in my constituency. Four of the five daughters suffer from disseminated sclerosis. One can imagine the extra burden on that small-income family yet, with the best will in the world, the welfare authority and Government funds are not able to provide sufficient to help it meet that extra expense. I know that this one small illustration can be repeated in any constituency. In all constituencies we could find scores of similar

illustrations of the problem of the longterm sick who, with the old, are the two sections of poverty with which notwithstanding Beveridge's high ideals we have failed to deal.

I beg the right hon. Lady to tackle this problem through this Bill. It is no good saying that we are to have a review and that this matter can be caught up in it. Time does not wait for these people, who are suffering from this long-term sickness. When we have already given a graduated benefit for the sick, we must not have the anomalous position in which they are cut off from extra benefit just when they most need it. The 1964 Report of the Assistance Board said that there were 162,000 people suffering from spells of incapacity of more than six months' duration. That figure shows the size of the problem.

I cannot believe that the ordinary insured contributor would be worried if we had to put up the rate of contributions by the amount necessary to give these long-term sick a more adequate income after they had been ill for six months. I am sure, knowing the people of Britain, that they would be very ready to pay the extra coppers a week in order that these sufferers might be removed from their present low-subsistence position.

The Minister has a choice of two new Clauses here, either of which would fairly meet this problem. My own view is that £1 a week is too little, and that the amount should be nearer to the constant-attendance figure of £3. Nevertheless, even £1 would be some measure of help. I beg the right hon. Lady to see that either of these two Clauses, or a Clause with similar effect, is inserted in the Bill before it receives the Royal Assent.

Mr. Paul Dean (Somerset, North): The intention of new Clause No. 7 is to extend the proposed invalidity benefit to the unemployed. I am not here thinking of that category of unemployed who do not want further employment. The right hon. Lady referred to the two distinct categories of those who, for various reasons, do not want further employment, and those who are suffering from some disability. Some of those in the latter category are virtually unemployable, although for various reasons they are still on the register and therefore get unemployment benefit. They have needs that are quite

as great as those of the long-term sick. In practical human terms the two categories are virtually identical, although at present they get different benefits. The object of the new Clause is to bring in that other category as well.

Mr. Bernard Braine (Essex, South-East): I strongly support the plea made by my right hon. Friend the Member for Thirsk and Malton (Mr. Turton) on behalf of the chronic sick. My right hon. Friend said that one of our difficulties is that we are discussing the Bill, as it were, in isolation—as we must—in advance of a general debate next Wednesday on welfare provisions. He could have gone further and said that it appeared from the exchange across the Floor earlier today that we are also to discuss next Wednesday the welfare provisions and the whole concept and practice of the Welfare State in advance of the review promised by the Government, and being conducted by one of their ablest members-the right hon. Gentleman the Member for Sowerby (Mr. Houghton). I think this is a pity. It simply does not make sense.

When the Beveridge proposals were first adumbrated in the war years, Sir William Beveridge, those advising him, and the Government of the day had in mind conditions that have changed out of all recognition. Those who founded the Welfare State were influenced by recollections of the chronic unemployment and deflation of the 1930s. Ever since then we have lived—and especially today-in conditions of full, if not overfull, employment and inflation such as Beveridge could never have envisaged. We have seen a tremendous improvement not only in the general standard of living of the people but in general social conditions.

What has happened, however, is that, in the process, in strictly relative terms, certain categories of our sick and needy have fallen far behind. I must not anticipate the kind of argument which we shall hear from both sides next Wednesday, but we are now discussing a simple demand for social justice for a relatively small but extremely deserving category of citizens. I do not think that there is any division in the Committee on this point, and I would be very surprised if in the review being conducted by the right hon. Member for Sowerby some improvement in the position of the long-time sick was not recommended.

Committee

The question is: when shall we get that review? We have not got it now. We shall not have it on Wednesday. The Bill has been described by the right hon. Lady as a temporary Measure which may be modified in the light of the review when it is published, and so on. The Bill excludes any provision for the chronic sick. I hope, for reasons advanced by my right hon. Friend yesterday and today, that the Minister will make this one concession, which would be the best concession she could make.

I hope that she will approach this subject in a conciliatory and generous frame of mind. Our plea is made on behalf of a small category of our fellow citizens who are sorely afflicted. My right hon. Friend has referred to cases and I, unhappily, have similar cases in my constituency—as I am sure that other hon. Members have in theirs. I therefore trust that the right hon. Lady will approach this very modest proposal in a generous spirit.

4.30 p.m.

Miss Herbison: The people who would be covered by this new Clause are the concern of all of us, and have been for a considerable time. I was a little surprised when the hon. Member for Rutland and Stamford (Mr. Kenneth Lewis) pointed to this side of the Committee and said that it seemed that hon. Members here forgot those who are suffering poverty.

This is a matter with which we have been concerned for a very long time—the problem of the chronic sick, those unemployed over a long period and families depending on low-wage earners. In our review, when considering the possibilities for legislation, we had to start completely from scratch. That was only 16 months ago. What we have been able to achieve in those 16 months has been considerable in the help given to some who were among the poorest.

Mr. Arthur Tiley (Bradford, West): The right hon. Lady says that the party opposite started from scratch, but that is not what hon. Members opposite were saying to the country at the time of the General Election. It was said then that [MR. TILEY.]

the minimum income guarantee which would cover these cases was ready to be implemented immediately, as a first task.

Miss Herbison: The hon. Member has misunderstood what I said, just as he misunderstood the coverage of the minimum income guarantee. It was made very clear that the guarantee would cover pensioners, widows and people without retirement pensions. Those were the people to be covered, not those which this Clause seeks to cover.

From scratch we made it perfectly clear that something would be done for the chronically sick. Anyone who has been a Minister, as the right hon. Member for Leeds, North-East (Sir K. Joseph) has been, and the right hon. Member for Thirsk and Malton (Mr. Turton), who has been a Minister in my Department, knows that it is one thing to have plans worked out and another thing to put those plans into operation in a legislative framework. It takes some time. Although we have had to start from scratch we have done a number of things, but a great deal still remains to be done. The people whom this Clause would help are among those who will be amongst the earliest to benefit under the review and the legislation when it is completed.

All those hon. Members who spoke on Second Reading were genuinely concerned about the position of the chronically sick. All who have spoken this afternoon have been concerned with those who are chronically sick at the present time. The right hon. Member for Thirsk and Malton gave the example of a tragic family with daughters suffering from disseminated sclerosis. All of us have in our constituencies families suffering from such diseases, but none of them would be helped by the provisions of new Clause 1. At present, there are 350,000—a larger figure than that given by the right hon. Member for Thirsk and Malton-in receipt of sickness benefit for over six months. One could almost say that they are chronically sick. The provisions of this Clause would not touch them.

Sir K. Joseph: I do not understand why the new Clause would not touch them. I am sure the right hon. Lady is not criticising the Clause for being badly drawn technically, because she could ask for it to be withdrawn and to be technically improved. Why would this Clause not cover the 350,000?

Miss Herbison: I am not criticising the Clause from a technical aspect. From my experience as a back-bencher in opposition, I would consider that a Minister had a bad case if he opposed an Amendment merely because it was not technically correct. We know that it is not easy to draft an Amendment, particularly to a Bill as highly technical as this one.

The Clause says:

" A sum of £1 per week shall be paid at the end of the period covered by graduated benefit so long as incapacity for work due to sickness continues".

We come to another group of people who would not come within the provisions of the new Clause. I have spoken about the 350,000 in receipt of sickness benefit. Sickness benefit can go on for years so long as the person concerned can prove that he is incapacitated for work through illness. A number of people such as those about whom the right hon. Member for Thirsk and Malton spoke might come into another category. Take, for example, those who become adult, but who, from birth or early childhood, have been physically or mentally handicapped and have never been able to work. Never having been able to work, they have never contributed. There is a fairly big class of men and women who, because they have no contribution record, get no sickness benefit at all, nothing from the contributory scheme. They get whatever help is available from the National Assistance Board.

There are large groups of people who would not be touched by the Clause. I shall deal with those who would be covered by the Clause. If we were to give an extra £1 a week, as suggested, to those who are chronically sick, when they reached pension age it would be impossible to take that £1 away. We would have to continue to pay the £1 a week because it would be inhuman to take it away. It would have to be paid after retirement pay took the place of sickness benefit.

A person who is able to work until he is 65 then goes on to pension. We all know that on the whole there is more illhealth among pensioners than in the rest of the population. Should we then say that if men or women in receipt of retirement pension became chronically sick after retirement they should be denied the extra £1? If this provision were there we could not deny it to those people. We would have to add that number of people. We would then have two kinds of pensioner, the one who had the extra £1 a week and the one who did not have it.

Everyone in this Committee realises the pressures which would develop to give an extra £1 a week to all who retire. There would be the anomaly which occurs in so much of our social insurance of two people living next door to each other and one of them having a clear £1 lead. If there were that clear £1 lead, there is no doubt that pressure would be very strong to give the £1 a week to all retired people, particularly when almost any day a retired person could be feeling not very well.

Mr. Kenneth Lewis: The right hon. Lady's argument is rather weak in the context of the Bill. The constant attendance allowance which is to be made available on the basis that the Committee discussed yesterday in particular cases, will create the very anomalies which she says the Clause will create.

Miss Herbison: I am sorry, but in this instance, also, the hon. Gentleman just does not understand the provisions of the Bill. All hon. Members would want to find a solution to the human problem posed by the Amendment.

Mr. Kenneth Lewis: On a point of order. I submit that it is completely out of order for the Minister to suggest that I, who have sat here for two days, do not understand what the Bill is about. The fact is that the right hon. Lady would like to think that I do not know what the Bill is about.

The Temporary Chairman (Sir Leslie Thomas): That is not a point of order. Such interchanges between the opposing sides of the Committee are natural and understandable.

Miss Herbison: I will try to explain to the hon. Gentleman the point that he has raised. He talks about a provision in the Bill for the constant attendance allowance. There is not anywhere in the Bill provision for constant attendance allowance.

Mr. Kenneth Lewis rose-

Miss Herbison: I think that the hon. Gentleman's right hon, and hon. Friends know that.

Mr. Kenneth Lewis: The right hon. Lady is just trying to be clever.

The Temporary Chairman: If the right hon. Lady does not care to give way, the hon. Gentleman must not persist. He knows the rules of order.

Miss Herbison: I gave way.

Mr. Kenneth Lewis rose-

Miss Herbison: I am not giving way any further at present. I have explained to the hon. Gentleman that there is no provision in the Bill for constant attendance allowance.

Mr. Kenneth Lewis: There is an additional grant.

Miss Herbison: Not for the constant attendance allowance for the seriously disabled. I have tried to explain how this would have to be extended.

The right hon. Member for Leeds, North-East made a very fair point when he said that, with a few exceptions, any increase given would have to be taken into account by the National Assistance Board. Thus, a person might receive an increase in sickness benefit, on the one hand, and suffer a cut in National Assistance, on the other. For this reason, the right hon. Gentleman suggested that the £1 ought to be disregarded by the Board if someone made a claim for National Assistance.

The Committee knows that National Assistance is payable to people who have sickness benefit, as it is payable to many others. The Board tries to cater, as far as possible, within the regulations, through its standard scales and through its discretionary allowances, for the individual needs of the chronic sick, as it tries to cater for others-for example, the old. In the first place the Board grants the scale allowance, plus rent. Apart from the scale allowance, plus rent, the Board has discretionary powers to make additional allowances. one who is chronically sick often needs extra nourishment, and the Board can make a payment for that. People often need extra heating, and the Board is able to make a discretionary payment for that. Domestic help and laundry

[MISS HERBISON.] charges, which can be very high for the chronic sick, are taken into account by the Board. So these people are not completely left out in the cold, though I am the first to admit that something further needs to be done for them.

4.45 p.m.

I come to the cost of providing for those that the Amendment would cover, not the 350,000 who would be left out. The extra £1 a week payable only until retirement age would work out at about £18 million a year. If it were continued after retirement age, it would add at least another £5 million. That comes to £23 million. As I said earlier, there would be very great pressure to extend this provision to all pensioners. If that were done, the cost would be £250 million a

Mr. Turton: I am sure that the right hon. Lady did not mean to give the figure of £250 million, because, quite clearly, this provision would not be extended to pensioners who are not sick. A man can perfectly well be a pensioner and be earning and, therefore, he would not qualify for the supplement.

Miss Herbison: That is true. Knowing what happens in Parliament and in the country, I gave three figures, first, the £18 million and then the extra £5 million if it were continued after retirement age. I am not able to give a figure of the cost of extending it to those who become chronically sick after retirement. One assumes that everyone would want them to benefit from such a provision. If we went as far as that, there is no doubt that there would be a great deal of pressure to extend this to all pensioners. That is why I gave the figure of £250 million.

Much has been said about doing something for these people now and not waiting until the result of the review. If the Amendment were accepted, we should not deal with the thousands of people about whom we have been concerned for a long time. I can give the Committee the assurance that the matter is receiving the closest attention in the review. Again, I want to stress that the Bill is only the first of a number of developments which will emerge as a result of the Government's review.

The hon. Member for Essex, South-East (Mr. Braine) said that it was wrong for us to have a debate on the Welfare State next Wednesday before the result of the review is known. Over all the years I have been in Parliament-I shall soon have spent 21 years here-we have had many debates on the Welfare State which did not wait for the result of a review or anything else. I am glad that new Clauses such as this are tabled. It is a good thing that we should let the country know the problems that are still to be solved and ventilate these matters.

Mr. Braine: I am sure that the right hon. Lady would not wish to misrepresent what I said. I do not think I said that it would be wrong to have a debate on the Welfare State. I have myself pressed in the past for more frequent debates on this sort of subject. I said that I thought it a pity that we were having the debate when the review was nearing completion, but not yet available to us. Both sides of the Committee are well aware that the Chancellor of the Duchy has been engaged upon a thorough and painstaking review, incidentally, a review which we ourselves, when in office, promised to undertake if we were returned. I presume that the review is nearing completion and is almost ready to be published. If it is not, I am sure that the Committee is entitled to know when it will be.

Miss Herbison: My right hon. Friend, who can take good care of himself in the debate on Wednesday, will deal with these points. It may be a pity that we are having the debate before the review is completed, and it may be that the hon. Gentleman's own Government had promised a review. There were 13 years for that review. This is why I said that in this matter we started from scratch.

#### Mr. Braine rose-

Miss Herbison: I am sorry, but I shall not give way. If the hon. Gentleman makes a remark of that kind, he must not take it too hard if I take him up on

I come now to new Clause No. 7, and I shall not spend long on it, because several of the points I have made apply to this, also. The hon. Member for Somerset, North (Mr. Dean) suggested that the extra £1 a week should be applied only to the one class-I divided them into two classes last night—that is, people

who, for disability, ill-health or social reasons are unemployed for a long time. But this is not what his Clause would provide. It would give it to both classes. That is the first point.

If I agreed that what the hon. Gentleman wanted to do was feasible at this time, I could provide for it. Whenever a Minister is convinced of the need for something, that Minister can put an Amendment down to meet the point which has been made by the Committee. But how is one to decide whether people are genuinely seeking work? We come back to that problem again. At least, new Clause No. 7 would cover all people at present unemployed and who have been unemployed for a long time. should not have cut any of them out as some of the chronic sick would be cut out in new Clause No. 1.

We want to give help to both these categories at the earliest possible moment, the long-term sick and the long-term unemployed. The right hon. Gentleman was entirely right to speak about what happens in a home after there has been a long period of sickness, and the same happens after a long period of unemployment. I think that the best way to deal with this is to ensure that, whether people become chronically sick or whether they have already been chronically sick for a long time, steps are taken to alleviate their position. This is what we hope to achieve as a result of the general review.

Mr. Dean: Will the right hon. Lady give for new Clause No. 7 figures of cost similar to those which she gave in respect of new Clause No. 1?

Miss Herbison: The cost would be £9 million a year, and there would then be an addition of £2 million if the £1 were continued to be paid after pen-sionable age. Again, it would be very difficult to take it away. Moreover, the Clause speaks of "interruption of employment" instead of unemployment. There are people who are not even going to the employment exchange but, if they had £1 dangled in front of their noses, they could come along and claim that they were still suffering a period of interruption of employment.

Mr. Kenneth Lewis: I would not have intervened again if the right hon. Lady, who started off yesterday by being thoroughly bad-tempered, had not been thoroughly discourteous to me a few minutes ago. She went on to be thoroughly inaccurate. She knows perfectly well that, in referring to the constant attendance allowance, I was talking about the related plus in the Bill, and constant attendance allowance is mentioned in this context several times.

Committee

The truth is that the right hon. Lady, as yesterday, is anxious to make as much political capital out of the Bill as she can. We have, quite properly, treated the Bill as non-controversial and we have supported it all the way through. In view of her attitude to me a few minutes ago, I can only say that, if the Prime Minister is thinking of appointing an ombudsman, perhaps a lady ombudsman, I hope that he does not appoint the right hon. Lady.

The Temporary Chairman: Order. I gave the hon. Gentleman a second opportunity to speak, which he is entitled to have, but I thought that he would confine himself to the new Clauses.

Sir K. Joseph: The right hon. Lady has been helpful in analysing the implications of the new Clause, and some of the figures she has used must cause us on this side to hesitate a little. It is not so much the cost of the new cases as the aggregate of the new cases plus the existing chronic sick. As I understand from what the right hon. Lady saidshe did not give us this figure-there must be about 30,000 new cases each year of people moving into the "more than six months" category. If that were the size of the problem, we should all want to help them, and I cannot see that there is any case at all for withdrawing the £1 a week benefit at retirement age. Most people come to retirement with some of the fat from their working lives still in their pockets, their cupboards and their savings accounts, but those who have suffered chronic sickness have very little, if any, of that fat left.

Even if we had to add £5 million to the £18 million, we on this side of the Committee would regard that as money well spent. As I calculate it, the £23 million would cost about 3d. a side on the contribution. That is the order of magnitude. But when the right hon. Lady points out that there is still, as it were, the existing load, the 350,000

[SIR K. JOSEPH.]

chronic sick, this would add something like an additional 2d. a side in order to look after the £1 a week for them. Thus, we should face a cost, if the Clause were made rational, that is, to include the existing load as well as the chronic sick, a cost of 5d. a side, that is, 10d. in all, on the Insurance Fund. That is big money, and at this stage we on this side of the Committee cannot tell whether that is the best way to use such a large sum of money.

We urge the right hon. Lady and her right hon. Friend, when they come to the stage of, perhaps, producing proposals to the House, not to be frightened of carrying over into retirement a benefit which is necessary because, as I have explained, the people concerned have had very little in their working lives. We shall support her if she wants to hold the door against extending such a benefit to all the other retired who have not been deprived in their working lives, through long unemployment or long sickness, of the chance to build up some resources. I do not think that the right hon. Lady should frighten us with that talk. But in the light of the figures she has presented, and after a useful debate, I beg to ask leave to withdraw the Motion.

Motion and Clause, by leave, withdrawn.

New Clause.—(GRADUATED SICKNESS AND WIDOWS BENEFIT FOR SELF-EMPLOYED.)

Subject to regulations to be made by the Minister and approved by both Houses of Parliament there shall be payable as from the appointed day earnings-related supplement for sickness and widows' benefit as provided by this Act for those self-employed who elect to pay one half per cent. of the excess up to £21 per week of their reckonable earnings over £9 per week or the equivalent amount for earnings not receivable weekly.-[Mr. Tiley.]

Brought up, and read the First Time.

5.0 p.m.

Mr. Tiley: I beg to move, That the Clause be read a Second time.

As the right hon. Lady says, we are discussing some very interesting subjects. The purpose of this Clause is to bring into the Bill the whole army of the self-employed and to extend the scheme to cover them. I hope, therefore, that she will acquit me of the charge of the profit motive, because I am engaged now in extending her scheme and not making it less. I do so because it is essential to differentiate between the sickness, accident and widows' benefits and unemployment benefit in the case of the self-employed. We understand the case for the exclusion of the self-employed from unemployment payment. It would be difficult to check their claims and to prevent fraud. That is an unforunate difficulty in respect of legitimate claimers, however.

We understand their position because we Members of Parliament are self-employed and I have no doubt that there are quite a few Members who would, especially at this moment, like to become members of a scheme of wagerelated benefits for unemployment. It is a pity, therefore, that the legitimate classes who might otherwise have been included even for unemployment benefit have to be excluded because of those who would fall by the wayside.

Whatever one's job, things do not always go right and this is through no fault of one's own. Happily for us, as hon. Members and as self-employed persons, we do not have cause to suffer any financial loss from absence due to sickness or accident. Because we are aware of the problems ourselves, we should be the better able to understand the needs of the other self-employed who are not in the same fortunate position.

During her Second reading speech, the right hon. Lady entirely forgot the selfemployed. She made no reference to them. Nor is there a word in the Government Actuary's Report about the selfemployed. Nor does the White Paper refer to them. They are the forgotten people, left alone in the cold-all 3 million of them.

It was only because, on Second reading, some of my hon. Friends raised the matter that consideration was given to this very great problem and the Government made to realise that this body of people exists. Replying to the debate, the Joint Parliamentary Secretary said:

"It has been asked why supplements do not apply to certain cases, and the question of the self-employed person has been raised by a number of hon. Gentlemen opposite. It has been suggested that the self-employed person should be brought within the scope of the new scheme. Self-employed people cannot be covered for unemployment benefit and therefore could not be brought into this part of the

scheme."-[Official Report, 7th February, 1966; Vol. 724, c. 136.]

That may be so when referring to their unemployment benefit, but in our view there is no reason why the self-employed should not be brouhgt into the sickness, accident and widows' portions of the wage-related benefits. We do not accept that it is too difficult to bring them in. They are already in the scheme for flatrate benefits and they purchase their stamps. In our view, it is unjust to leave them out with nothing.

The simplest way to deal with the problem would be a tax concession—say, 1 per cent. of gross earnings-for the selfemployed to deal with the problem privately. We cannot make such a provision in this Bill for that is a matter for the Chancellor of the Exchequer. We have had to search for a way to deal with the problem and that is why we have put down this new Clause.

If we accept that mass contributions from everyone in the country bring in these great benefits for all, then there is no argument for leaving a certain section out of the mass benefits which the mass contributions provide. It would be no excuse to say that the self-employed were left outside the graduated pension scheme. They were left outside deliberately because previous provision had been made, following the Tucker Report, for the selfemployed to provide pensions for themselves through separate arrangements under the 1956 Act.

We do not want the self-employed left in the cold. We need not think of the wealthy ones-those with money and influence who will make their own provision both for illness and accident and for their widows. They are not beset by worries of unemployment. We are thinking particularly of the small shopkeepers, the small businessmen and the small farmers.

There is one other aspect of the mass collection of the contributions-it allows the hazardous risks, as the right hon. Lady pointed out earlier, to be taken in with the better risks. If this Clause were accepted, people in hazardous trades, like window cleaners—thousands of them are self-employed-who find it difficult to make provision for their own coverage against accident or illness would be brought into the scheme. Risks may be involved, but we should take the bad as well as the good in this case.

We believe in our Clause and apologise if the wording is not correct. We would be happy to see it suitably amended to become workable and we do not want this item to cost any of the taxpayers' money. We are prepared that the cost of providing these benefits to the selfemployed should be borne by them. If the ½ per cent. which we ask for as a contribution from the excess up to £21 a week of reckonable earnings over £9 a week would not be sufficient to meet the benefits, we hope that the right hon. Lady will make an appropriate amendment to the Clause to bring the contribution in line with the cost.

We hope that the difficulty of collecting contributions will not be used as an objection to the Clause. We already trust self-employed people to buy their own stamps, and we believe that the contribution could be collected quarterly on the basis of the previous complete year's tax accounts. We know the year's earning of a self-employed person in the same way that we know the total annual earnings of an employed person.

We therefore have the method and the amount. There would be no difficulty about collection of the contributions, because if the contributions were not paid, the person would not be in benefit. The position could be protected further by having a waiting period of three months before benefits were payable, which would cut out those who periodically took time off because they thought that they were about to be ill.

We hope that the Minister will regard the new Clause sympathetically and will support it and, if necessary, amend it. If the wording is wrong, we hope that she will tell us where it is wrong, and, if the percentage is wrong, we shall be glad to alter it.

Captain Walter Elliot (Carshalton): Whatever the right hon. Lady's misconceptions about the merits of profit are, we all know that she has a very profound feeling for the elderly and the sick, and I am sure that she will agree with me when I say that age is a form of sickness in that there is a drop of efficiency. It seems quite wrong that if a person cannot do a full-time job as when young, the alternative is to do nothing.

[CAPTAIN ELLIOT.]

We know that many self-employed are elderly and for that reason are more likely to go sick. There are various reasons why such people want to go on working, often financial so that they can supplement their savings or pensions, or to keep themselves occupied. In these days, when our labour force is at such stretch, it is a very good thing that elderly people like that should go on working. They may be only in the service industries, but by working in those industries they release labour for the productive or manufacturing industries.

Many other self-employed people are in the prime of life. They are self-employed perhaps because they prefer to work for themselves, because they are energetic and ambitious. This, too, is something to be encouraged. Many of our great industries were built up by such people starting in a backyard. I am sure that many are doing so today and it is on their efforts that we shall have to rely in future.

Whatever the moral issue is, I would like to know why the self-employed should be excluded from the Bill. Is it for administrative reasons? I know that it is customary to leave them out of the social services, but I would like to know whether there is an orientation of our social services towards those who work only in the large industries or businesses as a cog in the organisation. I am well aware that the self-employed are difficult to organise. They are often very awkward and cantankerous, but it is a very good thing for the country to have awkward people to keep things going.

We should bear in mind that when one is self-employed, whether elderly or not, one's position is likely to become very difficult on going sick. It is not just a matter of staying off from work in a big oganisation. The business may have to be closed down, and the effect on the person concerned can be very serious.

I am sure that the right hon. Lady will give these matters careful consideration. Not all self-employed people are wealthy by a long chalk. Some are the most humble people in the land, and if we can possibly help them we should do SO.

5.15 p.m.

The Joint Parliamentary Secretary to the Ministry of Pensions and National Insurance (Mr. Harold Davies): At this juncture perhaps, I can say that the Opposition are not knocking at a completely closed door. I have listened with intense interest to the case of the hon. Member for Bradford, West (Mr. Tiley) and the hon. and gallant Member for Carshalton (Captain W. Elliot) and I am sure that both my right hon. Friend and my hon. Friend the Joint Parliamentary Secretary would entirely agree with the hon, and gallant Gentleman that some self-employed people carry on their job when they should be resting or recuperating from an illness, having to do so because they run one-man businesses.

I must eradicate the impression that we are in any way prejudiced. In the National Insurance Scheme, in 1948, we discovered a means by which to include the self-employed, and the Opposition continued the system when in power. But the problem in this case is not so easy. Far be it for me to make cheap jokes about the wording of the new Clause, for I know the difficulty. However, giving an option to self-employed people to enter the scheme would create terrific administrative and other difficulties.

A concrete example was that of Germany, where people could elect to join the German State insurance system. The result is that there is a tendency for those who have private cover and who feel themselves to be immortal-and we all feel ourselves to be immortal when we are in our 'twenties-to opt out. But the chronic sick cannot opt out. That is one of the difficulties of imbalance which any Government, of whatever political calibre, would have to face in dealing with this problem.

I know that there will be smiles when I say that we are bearing this in mind-[Laughter.] Hon. Members opposite may join in the joke if they like, but my right hon. Friend the Chancellor of the Duchy of Lancaster-[Hon. Members: "Where is he?"]-is working on it. I hope that hon. Members opposite will not use the argument of the hon. Member for Essex, South-East (Mr. Braine), who used to be in the Department. He sailed into harbour with his ship in full sail with this new philosophy. I would be out of

order to deal with the new philosophy of the social services and social security which has been advanced by the right hon. Member for Leeds, North-East (Sir K. Joseph) and by the right hon. Gentleman the Leader of the Opposition, in his Birmingham speech. They were marvellous speeches. The sails were full blown and they were looking to the social security of the future, but I must say that I do not yet know what it is to be.

Wednesday will be a chance for the Opposition to explain to the country clearly what this new philosophy-

The Temporary Chairman (Mr. Thomas Steele): I am not sure that this is the opportunity for the Opposition to do this and I think that we ought to confine ourselves to the new Clause.

Mr. Davies: I thought that I would not get away with that. One of our difficulties is that this has been left in the form of persons electing whether they are to come in. It was asked whether my hon. Friend the Joint Parliamentary Secretary referred to this. He did give quite a full answer on the Second Reading, and that argument still stands.

If we take the arithmetic of this it would mean that about ½ per cent. earningsrelated contribution would have to be paid, considerably in arrears. It is doubtful whether this would be acceptable to many self-employed persons, particularly if contributions on high earnings have to be paid at a time of low earnings. We believe that it would be difficult to determine in good time the rate of benefit payable to a self-employed person, or his widow, on his earnings for a particular tax year. While the Clause appears to recognise some of the special problems attached to the self-employed, by making the provisions subject to regulations, and by providing an option, the Clause is rendered inoperative.

This is an interim scheme, effected not only for social but for economic purposes. Take the costs proposed under the Clause, which envisages a contribution of 1 per cent. of earnings in the £9 to £30 range. We believe that if this were to be taken up, and even if all self-employed persons opted in, a ½ per cent. contribution would produce about £3 million a year, whereas supplements to sickness benefit and widows allowances would cost £31 million. These are the facts.

The Government feel that they cannot accept the Clause because it is not feasible to fit the self-employed into the structure of these contributions and benefits, which are based on P.A.Y.E. tax assessment, and this is needed to get this scheme started in good time. This is a problem faced by the Opposition when they were in office in 1959. The Government are sympathetic and accept the provisos and the arguments put forward on behalf of the self-employed. regret that we shall have to resist the Motion. We do assure the Committee that this is being given consideration and we hope one day to be able to find a formula to be able to answer this problem.

Committee

Dame Irene Ward: The hon. Gentleman the Joint Parliamentary Secretary always has a very attractive way of talking. It is very simple. He makes us all feel that he is behind what we are trying to do, and, indeed, what the Government are trying to do. When it comes to be assimilated, however, the answer " No ". is,

I do not think that we shall accept that, because if it is so difficult to do anything for the self-employed, how far have the Government looked at the position of the self-employed in the overall review which is being carried out by the Chancellor of the Duchy of Lancaster? The self-employed are a very important section of the community. Their trouble is, and I say this quite advisedly, because I know enough about parliamentary and political pressures, that they have not got powerful appeals and pressures behind them to shift any Government.

They apparently cannot shift the present Government and I doubt whether they would have shifted my party when it was the Government. It is an absolutely monstrous way to treat a section of the community, which pays taxes, helping to sponsor a great many of the new schemes put forward. It is not apparently within the capacity of the Government to find a way of giving them in the Bill what is their due. I call that a monstrous repudiation of a section of the community to whom the country owes a very great deal. I have listened to broadcasts on behalf of the Government and seen their television appearances and I do not think that any

[DAME IRENE WARD.] self-employed person who has done so would ever have imagined that the Government would have rejected this Clause on the ground that "they really cannot include the self-employed in the Bill".

I know the parliamentary techniques of all Front Benches. Sometimes they make me sick, and the hon. Gentleman's contribution today has made me sick. First of all, he talks about the Clause being badly drafted. It may be. But what does that matter?

Mr. T. W. Urwin (Houghton-le-Spring): Is the hon. Lady really serious in her latter remarks, after being so complimentary in her earlier remarks, and particularly after saying that her own party, if in office, would not be persuaded to introduce this new Clause?

Dame Irene Ward: That does not make any difference to me. You see, I am a free woman. I do not always subscribe to party Whips. I do not always subscribe to the views of the party to which I belong. If the Conservative Party had paid a little more attention to what I have said in the past, you would not be sitting there today.

The Temporary Chairman: That does not entirely follow. I hope that the hon. Lady will apply herself to the Clause.

Dame Irene Ward: Certainly, Mr. Steele, but when someone bursts in and attacks my comments I am sure that I can say what I think. I listened to some of the Labour Left wing last night, on the Order on Rhodesia, saying what they thought about their Front Bench.

5.30 p.m.

This is a matter which affects hundreds of thousands of the best people in this country. It is no good talking, as the hon. Gentleman talked, although not very much, I agree, about the tax return difficulties. Many self-employed people do not pay taxes. The Conservative Administration relieved self-employed people in the lower income groups from paying taxes. It is no good talking about people who pay Income Tax. I am talking about those who do not pay Income Tax.

The hon. Gentleman in his charming way-I never mix charm up with speeches-says that the Clause is badly drafted. What does that matter? If he liked, he could say, "We do not like the way in which the Clause has been drafted, but on the Report stage"-this would help my hon. Friend the Member for Rutland and Stamford (Mr. Kenneth Lewis)-" we will introduce a new Clause which is properly drafted". If he were to say that, I would say, "Hear, hear". The hon. Gentleman spent most of his time talking about bad drafting. Then he spoke about the cost-£3 million-if the new Clause were put in the Bill. He went on to say that there would be £250,000 over. That is a very small amount in this context.

My objection is that the Government always think about the masses of industrial and professional workers who are But there are many selfemployed people who, by way of inventions or bravery in action, have given something to the country, the cost of which, can never be counted. That is why I think that this is a monstrous way of dealing with this matter.

I hope that my hon. Friends will divide on the Clause because I am sick of all the promises, pledges, talk and build-up. Unfortunately, I did not hear the opening speeches; I was engaged in another Committee-[Hon. Members: "Hear, hear."]-I have a lot to do; much more than many other hon. Members. Where are they? For a long time there was not one member of the Liberal Party present, or an hon. Member opposite, except on the Government Front Bench and the Minister's P.P.S.

The Government cannot face the repudiation of the self-employed. The Minister, for whom I have a great admiration, has plenty of character to tell her civil servants to draft the new Clause properly. The Conservative Government used to say that they could not tell how many people did not apply for National Assistance, although I knew that many did not apply for it. But in a White Paper-there are so many White Papers that I cannot remember them all they have put a figure to the number of people who do not apply for National Assistance. How did they manage to do that? That is much more difficult than discovering the number of self-employed people.

As I say, I hope that we will divide on the Clause. I look forward, with my

right hon, and hon. Friends, to doing what we can for that section of the community which deserves just as well of this country as any other section.

Mr. Tiley: I am sure that I voice the opinion of my right hon, and hon. Friends when I say that we have had a very pleasant answer from a very pleasant Minister but not a convincing one. If nothing is forthcoming in answer to the points made by my hon, and gallant Friend the Member for Carshalton (Captain Elliot) and my hon. Friend the free lady from Tynemouth (Dame Irene Ward), we shall have to divide the House.

I want to deal with one or two points which the Joint Parliamentary Secretary made. The self-employed are used to dealing with payments in arrears. I say that advisedly, because they are independent people. In addition to paying for things in arrears, they create reserves to deal with that situation. They are among the most thrifty and best payers in the country. They will not therefore be put out of balance in their economic affairs by having these small contributions payable in arrears.

The self-employed were deliberately left out of the Conservative Government's graduated pensions Measure not because they had been forgotten but because they had been dealt with earlier. The Tucker Commission was set up to deal not with greengrocers, grocers, butchers, bakers and candlestick makers, but with the pensions for the great body of professional men. But following the Tucker Report in 1956 the Government implemented a scheme for the self-employed to purchase their own pensions with a certain tax rebate.

Miss Herbison: The hon. Gentleman is very knowledgeable about these matters. I accept that in moving the new Clause he was concerned about the needs of the small self-employed person. Has he any idea how many small self-employed people now have a pension to look forward to?

Mr. Tiley: It would be unfair for me to give the facts which I know personally from my own professional pursuit, but I know that many hundreds of thousands of small self-employed people are thriftily saving through pension arrangements created by the Conservative Government and through private endowment assurance. Many hundreds of thousands of small self-employed people are saving for their old age with the help of the tax rebate on which both parties agreed.

Committee

I was surprised to find how near we were to the costing of this matter. We were within £250,000. It is not the wish of my hon. Friends that the self-employed people should cost the taxpayer anything. The self-employed person is a sturdy, independent man. I am sure that he is willing to pay for any benefits he may receive. We felt that if six days of benefit were deleted in respect of the selfemployed we would bridge the small gap. We feel that it could be done immediately in the Bill.

Unless a more definite answer is forthcoming from the Government, I ask my hon. Friends to divide on the new Clause.

Mr. Harold Davies: I regret that the hon. Member for Bradford, West (Mr. Tiley) and his colleagues feel that they should divide on the new Clause. The Tucker Report dealt with a completely different matter. I can give figures for these pensions. The wrong impression must not be created. One side of the argument relates to private pensions. It is worth while to have it on record that only 2 million people are currently drawing occupational pensions and that half of these are less than £2 a week. We should not go away with the impression that colossal pensions are being given by private occupational schemes. That side of the argument, therefore, is irrelevant.

We are dealing here with earningsrelated benefits. Present as well as former Ministers, on both sides, know how difficult it is to deal with this subject in this interim Measure. I have made no cheap remarks about the drafting-far from it. I said that I would not do so, because I know how difficult it all was. I did say that the "option" made things difficult. However, if hon. Members opposite have to divide the Committee, I see no point in prolonging the debate.

Question put, That the Clause be read The Committee divided: Ayes 135. a Second time :-Noes 143.

#### Division No. 29.1

Agnew, Commander Sir Peter Alison, Michael (Barkston Ash) Allason, James (Hemel Hempstead) Amery, Rt. Hn. Julian Balniel, Lord Batsford, Brian Beamish, Col. Sir Tufton Bennett, Sir Frederic (Torquay) Bessell, Peter Biffen, John Biggs-Davison, John Birch, Rt. Hn. Nigel Black, Sir Cyril Blaker, Peter Bossom, Sir Clive Boyd-Carpenter, Rt. Hn. J. Braine, Bernard Brinton, Sir Tatton Bromley-Davenport, Lt.-Col. Sir Walter Brooke, Rt. Hn. Henry Brown, Sir Edward (Bath) Bruce-Gardyne, J. Bryan, Paul Bullus, Sir Eric Burden, F. A.
Buxton, Ronald
Campbell, Gordon
Carr, Rt. Hn. Robert
Channon, H. P. G. Chataway, Christopher Clark, William (Nottingham, S.) Cooke, Robert Corfield, F. V. Costain, A. P. Craddock, Sir Beresford (Spelthorne) Curran, Charles Currie, G. B. H. Davies, Dr. Wyndham (Perry Barr) Dean, Paul Deedes, Rt. Hn. W. F. Drayson, G. B. Eden, Sir John Elliot, Capt. Walter (Carshalton) Elliott, R. W. (N'c'tle-upon-Tyne, N.) Errington, Sir Eric Eyre, Reginald

#### AYES

Farr, John Fell, Anthony Fisher, Nigel Fletcher-Cooke, Charles (Darwen) Fletcher-Cooke, Sir John (S'pton) Gilmour, Ian (Norfolk, Central) Glover, Sir Douglas Glyn, Sir Richard Goodhew, Victor Grant, Anthony Grant-Ferris, R. Gresham Cooke, R. Grieve, Percy Griffiths, Eldon (Bury St. Edmunds) Griffiths, Peter (Smethwick) Grimond, Rt. Hn. J. Gurden, Harold Harris, Frederic (Croydon, N.W.) Harrison, Brian (Maldon) Harrison, Col. Sir Harwood (Eye) Hastings, Stephen Heald, Rt. Hn. Sir Lionel Hobson, Rt. Hn. Sir John Hordern, Peter Hornsby-Smith, Rt. Hn. Dame P. Hutchison, Michael Clark Irvine, Bryant Godman (Rye) Jenkin, Patrick (Woodford) Johnston, Russell (Inverness) Joseph, Rt. Hn. Sir Keith Kilfedder, James A. Kirk, Peter Lagden, Godfrey Legge-Bourke, Sir Harry Lewis, Kenneth (Rutland) Longbottom, Charles Longden, Gilbert McAdden, Sir Stephen MacArthur, Ian Mackenzie, Alasdair (Ross&Crom'ty) Maclean, Sir Fitzroy Mathew, Robert Mawhy, Ray Mitchell, David Monro, Hector More, Jasper

# [5.42 p.m.

Morrison, Charles (Devizes) Mott-Radelyffe, Sir Charles Murton, Oscar Noble, Rt. Hn. Michael Onslow, Cranley Orr-Ewing, Sir Ian Page, R. Graham (Croshy) Peel, John Pickthorn, Rt. Hn. Sir Kenneth Powell, Rt. Hn. J. Enoch Prior, J. M. L. Pym, Francis Quennell, Miss J. M. Renton, Rt. Hn. Sir David Ridsdale, Julian Roots, William Scott-Hopkins, James Sharples, Richard Sinclair, Sir George Smith, Dudley (Br'ntf'd & Chiswick) Smyth, Rt. Hn. Brig. Sir John Spearman, Sir Alexander Steel, David (Roxburgh) Studholme, Sir Henry Summers, Sir Spencer Taylor, Sir Charles (Eastbourne) Taylor, Frank (Moss Side) Teeling, Sir William Thatcher, Mrs. Margaret Thompson, Sir Richard (Croydon, 8.) Thorpe, Jeremy Tiley, Arthur (Bradford, W.) Turton, Rt. Hn. R. H. van Straubenzee, W. R. Walters, Dennis Ward, Dame Irene Weatherill, Bernard Webster, David Whitelaw, William Wilson, Geoffrey (Truro) Wolrige-Gordon, Patrick Woodhouse, Hn. Christopher Younger, Hn. George

TELLERS FOR THE AYES: Mr. McLaren and Mr. Ian Fraser.

#### NOES

Abse, Leo Albu, Austen Allen, Scholefield (Crewe) Atkinson, Norman Bacon, Rt. Hn. Alice Bagier, Gordon A. T. Bence, Cyril Benn, Rt. Hn. Anthony Wedgwood Bishop, E. S. Blenkinsop, Arthur Boston, Terence Bowden, Rt. Hn. H. W. (Leics S.W.) Bray, Dr. Jeremy Brown, Hugh D. (Glasgow, Provan) Brown, R. W. (Shoreditch & Fbury) Buchan, Norman (Renfrewshire, W.) Butler, Herbert (Hackney, C.) Chapman, Donald Conian, Bernard Corbet, Mrs. Freda Cousins, Rt. Hn. Frank Crossman, Rt. Hn. R. H. S. Darling, George Davies, Harold (Leek) Davies, Ifor (Gower) de Freitas, Sir Geoffrey Delargy, Hugh Dell, Edmund Diamond, Rt. Hn. John

Doig, Peter Driberg, Tom Edwards, Robert (Bilston) Ennals, David Evans, Albert (Islington, S.W.) Fletcher, Sir Eric (Islington, E.) Fletcher, Raymond (Ilkeston) Floud, Bernard Foley, Maurice Foot, Sir Dingle (Ipswich) Foot, Michael (Ebbw Vale) Ford, Ben Fraser, Rt. Hn. Tom (Hamilton) Freeson, Reginald Greenwood, Rt. Hn. Anthony Grey, Charles Griffiths, Rt. Hn. James (Llanelly) Hamilton, James (Bothwell) Hamilton, William (West Fife) Hamling, William (Woolwich, W.) Hannan, William Harper, Joseph Hart, Mrs. Judith Hazell, Bert Herbison, Rt. Hn. Margaret Holman, Percy Houghton, Rt. Hn. Douglas Howarth, Harry (Wellingborough) Howell, Denis (Small Heath)

Howie, W. Hoy, James Hughes, Hector (Aberdeen, N.) Hunter, Adam (Dunfermline) Hunter, A. E. (Feltham) Hynd, H. (Accrington) Hynd, John (Attercliffe) Janner, Sir Barnett Jenkins, Hugh (Putney) Jenkins, Rt. Hn. Roy (Stechford) Johnson, Carol (Lewisham, S.) Johnson, James (K'ston-on-Hull, W.) Jones, Dan (Burnley) Gores, Dan (Burnley) Kerr, Mrs. Anne (R'ter & Chatham) Lawson, George Ledger, Ron Lipton, Marcus Loughlin, Charles MacDermot, Niall McInnes, James McKay, Mrs. Margaret Mackenzie, Gregor (Rutherglen) McLeavy, Frank Manuel, Archie Mason, Roy Mellish, Robert Mendelson, J. J. Mikardo, lan Miller, Dr. M. S.

Molloy, William Monslow, Walter Morris, Charles (Openshaw) Murray, Albert Neal, Harold Newens, Stan Noel-Baker, Francis (Swindon) Noel-Baker, Rt. Hn. Philip (Derby, S.) Norwood, Christopher Ogden, Eric O'Malley, Brian Oram, Albert E. (E. Ham, S.) Orme, Stanley Oswald, Thomas Owen, Will Padley, Walter Page, Derek (King's Lynn) Palmer, Arthur Pannell, Rt. Hn. Charles

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Park, Trevor (Derbyshire, S.E.) Pavitt, Laurence Peart, Rt. Hn. Fred Pentland, Norman Perry, Ernest G. Prentice, R. E. Pursey, Cmdr. Harry Rankin, John Rees, Merlyn Robinson, Rt. Hn.K. (St. Pancras, N.) Rogers, George (Kensington, N.) Ross, Rt. Hn. William Shinwell, Rt. Hn. E. Shore, Peter (Stepney) Short, Rt. Hn. E. (N'c'tle-on-Tyne, C.) Silkin, John (Deptford) Skeffington, Arthur Slater, Mrs. Harriet (Stoke, N.) Small, William

Snow, Julian Soskice, Rt. Hn. Sir Frank Stones, William Strauss, Rt. Hn. G. R. (Vauxhall) Tomney, Frank Tuck, Raphael Urwin, T. W. Wainwright, Edwin Walker, Harold (Doncaster) Wallace, George Warbey, William Weitzman, David Whitlock, William Williams, Mrs. Shirley (Hitchin) Willis, George (Edinburgh, E.) Wilson, Rt. Hn. Harold (Huyton) Zilliacus, K.

Committee

TELLERS FOR THE NOES: Mr. McCann and Mr. Fitch.

# New Clause.—(DEATH GRANT.)

Death grant shall be payable under section 39 of the National Insurance Act 1946 in respect of any person who at the time of his death is severely mentally handicapped and has been so since childhood, notwithstanding that at the time of his death he was over the age of nineteen years.-[Mr. Dean.]

Brought up, and read the First time.

Mr. Dean: I beg to move, That the Clause be read a Second time.

This Clause deals with a small but important and rather technical point. The main object is to ask the Government what progress they have made in finding a solution to the problem. The question has been discussed on a number of occasions, as the Committee will recall, and a similar proposal to this was made by my hon. Friend the Member for Finchley (Mrs. Thatcher) during the Committee stage of the National Insurance Bill, on 3rd December, 1964.

On that occasion, in reply to the debate, the Joint Parliamentary Secretary said:

we have examined this problem very carefully indeed, and we have found, as the previous Government did, that it is a difficult one to solve . . . We want to find a solution—make no mistake about that—and we are determined to find one if it is at all possible. We want to assure the Committee that we shall embark upon a detailed study of this matter. This will not be brought within the ambit of the major review. It will be an independent study into this problem."—[OFFICIAL REPORT, 3rd December, 1964; Vol. 703, c. 854.]

At long last we are discussing a point which does not depend upon the famous long-term review. We are discussing one which depends on an entirely independent review; so let us hope that on this occasion the right hon. Lady or the Joint Parliamentary Secretary will be able to tell us that they have reached a satisfactory conclusion.

The object of the Clause is to enable death grant to be payable in respect of someone who has been severely mentally handicapped since childhood and is not now covered for death grant.

If I understand the rather difficult technical point correctly, the present position is that if a severely mentally handicapped child has a parent living and dies before the age of 19, there is usually no problem, because he or she is covered for death grant on the parent's insurance. The problem largely arises when the person concerned is over the age of 19. He or she has almost certainly not paid insurance contributions, and cannot qualify for death grant on his or her own contribution record.

It may be said that it is a case for the National Assistance Board to deal with, because the chances are that a severely handicapped person in that category would be in receipt of National Assistance. But the law appears to be that there is no power within the National Assistance Act to make a grant towards funeral expenses, except through a living person who is receiving National Assistance. If the parent is on National Assistance, a payment towards the funeral expenses can be made, but not otherwise.

If I have understood the position correctly, it appears that at the moment there is no solution in these cases either through National Insurance or through National Assistance. I recognise that it is very much easier to state the problem than it is to find the solution. I recognise that is a very complicated matter. First, how does one define "severely mentally handicapped "? Secondly, ought one not

[MR. DEAN.] to include the physically handicapped as well? I recognise that there are those complications and that there are wider implications if one is to deal with such cases more satisfactorily than purely on the very narrow point which the Clause selects.

It is generally agreed that the problem exists. It may be small, but it is an important gap in our social security arrangements. I hope that the Government will be able to tell us today that they have had the independent inquiry and have been able to find a satisfactory solution. The drafting of our Clause may not be satisfactory, but if the Government are able to say that they have a solution and can offer an alternative, that will be satisfactory from our point of view.

The Joint Parliamentary Secretary, Ministry of Pensions and National Insurance (Mr. Norman Pentland): The hon. Member for Somerset, North (Mr. Dean) has referred quite properly to the undertaking that I gave to the hon. Member for Finchley (Mrs. Thatcher) during the course of the Committee stage of the National Insurance Bill on 3rd December, 1964. I can assure the hon. Gentleman and all hon. Members of the Committee that, following my undertaking to the hon. Lady, we have spent a good deal of time giving sympathetic thought once again to how we can find a formula to overcome this very difficult problem.

We have tried to find ways and means of making provision for the payment of a death grant upon the death of permanently handicapped people, not only the mentally handicapped, but also the physically handicapped who are not referred to in the Clause.

I want to make it clear to the Committee that the problem that faces us about the death grant for the disabled person is not, on the narrow front, primarily one of expense at all, because there are estimated to be only about 3,000 deaths every year of that kind. Let me clear that away once and for all. The essential difficulty that we have to face is that of doing what the Opposition suggest under the existing scheme without it bringing considerable wider changes in its train.

One possible solution which has been examined by us is the replacement of the existing contribution conditions for death grant by a provision under which the grant could be paid provided that the deceased was an insured person. As the Committee will be aware, people who are resident in Great Britain and over school leaving age are insured persons, irrespective of whether they pay contributions: so this would mean paying the grant where no contributions had been paid at all. It would mean that such a proposition would go much wider than the Clause and would make the grant available to everyone.

Committee

To make such a change would involve a fundamental departure from the general principle for National Insurance benefits. As the hon. Member will probably know, their payment depends on the satisfaction of contribution conditions.

6.0 p.m.

We must face the fact that once that principle was abandoned, and it was accepted that benefits could be paid without contributions, we should be taking a far-reaching step, the implications of which would extend far beyond the narrow point of death grant. The Government take the view that it would not be right to embark on such a step to meet this problem without being sure that the wider repercussions could be resisted.

Another difficulty is that it would seem odd to provide insurance cover for these permanently handicapped people only in respect of death grant. This could open up the whole question of the way in which the National Insurance Scheme provides for people in such a position, and this again is an issue which the Government believe should be considered on its merits, and not as an incidental result of a change in one particular sector of the field.

I regret that the various possible courses which we have considered, even when looked at with the greatest sympathy and wish to help, are seen not to provide a solution to the problem at the present time. But we have not given up the ghost in our endeavours to solve it. It is a problem for which everyone in this Committee, regardless of which side he is on, has the deepest sympathy, and we are still trying to find

ways and means, outside the review, of doing something about it.

It is possible that the review could lead to more fundamental changes which would enable the matter to be dealt with in a more logical and comprehensive fashion, but we do not know that yet. It could, for example, be dealt with by a more general arrangement for the provision of benefits for persons disabled from childhood.

As I have said, the cost of the Clause itself, ignoring the repercussions which could flow from it, would not be large. I repeat that it is not a question of cost. It could cost up to £50,000 a year for mentally handicapped persons only, and about £75,000 a year if physically handicapped people were included, as they clearly would have to be.

I stress that we regard this problem with the deepest possible sympathy. We want to try to find a solution to it, but, after looking at all the possible solutions, we still have not found a way through the technical and other complications which arise. Nevertheless, I ask the Opposition to withdraw the Clause, on the understanding that we are still doing everything possible to try to find a solution to a very difficult question.

Mr. Dean: I am obliged to the hon. Gentleman for that helpful explanation. I appreciate the difficulties of trying to find a solution to this problem. The hon. Gentleman mentioned the problems which arise in trying to solve this problem through National Insurance, and said that the review was considering all these matters, but he did not say anything about the possibility of solving the problem through National Assistance. Can he explain a little more what difficulties exist there? It appears to me that it may be easier, at any rate for the time being, to relax the National Assistance arrangements so that most of these cases, at any rate in the interim, can be covered.

Mr. Pentland: The question of dealing with this problem through National Assistance has been urged from time to time, and I think I am right in saying that the previous Government applied their minds to this approach. It is said that as the National Assistance grant is paid to handicapped people during their lifetime, in appropriate cases the National Assistance Board should be willing to use its discretionary powers to make a payment in the form of grant on the death of these people. Any such change would require an Amendment to the National Assistance Act itself, and could not be done in this

The field to be covered by the Board and this is another consideration-might be difficult to define or de-limit. Indeed, there may be pressure for the Board to meet funeral expenses in all cases where the National Insurance death grant was not payable and there were no other, or sufficient, assets in the deceased's estate. We have examined this possibility, but we still think it does not meet the problem about which we are all concerned, and once again I ask the hon. Gentleman to bear in mind that we are determined to try to solve the problem.

Mr. Dean: I am obliged to the hon. Gentleman for that additional information, and in view of his explanation I beg to ask leave to withdraw the Motion.

Motion, and Clause, by leave withdrawn.

New Clause.—(Industrial injuries— WIDOWS.)

The widow's benefit of 20 shillings a week payable by virtue of the Industrial Injuries Act shall be increased to 30 shillings a week.—[Mr.

Brought up, and read the First time.

The Temporary Chairman: I think that with that Clause it might be convenient to discuss new Clause No. 5, "Widows,":

Without prejudice to any other benefit to which she may be entitled under the National Insurance Act there shall be payable to a widow a pension at the rate of 30 shillings a week.

Mr. Dean: Thank you, Mr. Steele.

I beg to move, That the Clause be read a Second time.

These two Clauses deal with various aspects of widows' benefits, and I hope that the right hon. Lady will agree that it would be wrong to let a Bill of this kind go through without discussing the problem of the no-shilling widow and the 20s. industrial widow. I propose to deal with them separately, because, although we are dealing with similar problems, they are rather different from a legislative point of view.

[Mr. DEAN.]

The object of the second Clause is simply to provide a pension for what we call the no-shilling widows, the 40,000 women who at the moment get no pension. The cost of accepting this proposal would be very small indeed. In fact, it would be so small that it does not enter into the argument.

I do not propose to rest my case on the precise wording of the Clause. There may be argument about the best way of achieving the objective. Indeed, I am one of those who hope that occupational pension schemes will play a growing part in providing benefits for widows, but I am convinced about the basic objective behind the Clause. In my view widowhood should create the right to a pension. I do not believe that we shall remove the anomalies, and the sense of injustice which exists, until that principle is firmly accepted.

There are two main reasons why I say that. The first is the number of anomalies and the second is the fact that widows have special problems. I recognise that the previous Administration, together with this Administration, have done a good deal to improve the lot of widows. The previous Administration raised widows' benefits, together with other benefits, no less than five times in their period of office. They also introduced a valuable measure of additional help, within the National Insurance Scheme, to widows with children and, also the "flying start", to help those widows without pensions who have difficulty, because of the deficiencies in their contributions record, in getting early employment or sickness benefit. these were substantial moves by the previous Administration to improve the lot of widows. I readily concede that the present Administration have taken this process further, through the general increase which has been given, but the time has arrived to consider the next

I want to refer to the main anomalies. They have been discussed before. Every hon. Member knows that they exist. The first and most obvious one arises from the so-called "50-year rule". A woman who is widowed at the age of 51 has a permanent pension, with no more contributions to pay, whereas a woman

who is widowed at the age of 49-although she has a small resettlement benefit, admittedly increased by the Billmust afterwards earn her living, with no pension but with contributions to pay.

This is one of the stark contrasts which widows outside, comparing their lot with their next-door neighbour, simply do not understand. It is bound to give rise to a sense of injustice. There may well be two widows in precisely similar circumstances, the only difference being that one was widowed on one side of the 50-year line and the other on the other. Then there is the anomaly of the 30s. widow and the no-shilling widow. If a woman was married before 1948 she is entitled to the 30s, pension whereas if she was married after 1948 she receives no pension at all. That anomaly has been magnified in the minds of widows owing to the fact that the pension was raised from 10s. to 30s. in 1964.

The no-shilling widow, comparing her lot with that of the 30s. widow, naturally cannot see any sense in the difference. Why should one have the pension and not the other? The Bill focuses attention on this problem. We have a welcome addition, in the early period of resettlement, but this merely means that the subsequent drop is that much greater. It certainly helps to solve the short-term problem, but it highlights the long-term problem all the more. In the long-term it still leaves the no-shilling widow with nothing.

I have no doubt that the right hon. Lady has had many letters from widows and others drawing her attention to these anomalies. I do not want to labour the point, but I want to quote two examples from correspondence that I have received which illustrate typical reactions on the part of these widows. One reads:

"Recently it was announced that widows" allowance was to be paid for 26 weeks instead of 13, but nothing was said about anomalies in widows' pensions. I am now 51, having to do a part-time job and care for my mother, aged 86, and for a greater part of the year, for my aunt, aged 84. Thirty shilling widows could be younger and have less responsibility."

That is a typical reaction of a no-shilling widow who is obviously carrying a considerable burden of family responsibility, having to look after two aged relatives. Another typical letter reads:

"I was left a widow at the age of 49 years, and was informed, 'You must find work'. At 49 this is not easy. Also, where does the Government think the money comes from to pay N.H.I. contributions until the age of 60 to receive a retirement pension?" Every hon. Member must have received shoals of letters expressing similar reactions from widows who feel that they are left out of the scheme. I know that the right hon. Lady will say, "Wait for the review." This is the answer that we receive to most of our proposals. Let us hope that our curiosity will be satisfied to some extent next Wednesday, in the debate on the social services in general—

6.15 p.m.

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Mr. Braine indicated dissent.

Mr. Dean: I see that my hon. Friend the Member for Essex, South-East (Mr. Braine) nods his head.

Mr. Braine: My hon. Friend calls me in aid, but I got the impression, from the exchange during Business Questions this afternoon, that there is not the slightest sign of the review materialising by Wednesday. We are not likely to see it for a considerable time to come. I regret that.

Mr. Dean: Perhaps I am being a little more optimistic than my hon. Friend. On Wednesday next we shall see how much progress has been made with this famous review. I hope that the right hon. Lady realises that the more she piles anomaly on anomaly in relation to widows' benefits the greater is the obligation upon her to produce a long-term solution. There are many other anomalies, but I hope that I have said sufficient to remind the Committee of the important ones and of the reactions which they naturally evoke among widows who are getting no pension.

My next point concerns the special responsibilities of widows. At the moment we expect a woman who has been widowed at the age of 49, and who has no dependent children, to go back into the labour market to earn a living and to pay contributions until she is 60. Surely what matters is not so much the age at which a woman becomes a widow as the length of time for which she has been out of the labour market. It will be difficult for her anyway to get back into the

labour market when she is 49, or younger, but it will be even more difficult if she has not been working outside the home for many years—if she has spent those years bringing up her family. The comparatively young widow, whose children have grown up, is becoming a fairly common phenomenon.

Under the present arrangements the tendency will be for the proportion of no-shilling widows to increase. We all know that many women now marry before the age of 20. The Government Actuary, in his last quinquennial review of the National Insurance Scheme, estimated that the marriage rate of women aged 20 or under will be 20 per cent, greater in 1973 than this year.

They are marrying younger and are also having their families younger, so the tendency will inevitably be for more women to have grown-up families when they themselves are still comparatively young, and unhappily-because women, for some reason, are tougher than men -many of those will be widows. So the proportion, under present arrangements, of no-shilling widows is likely to increase. The right hon. Lady may say that the woman widowed at the age of 25 does not meet the problems of earning a living to the same extent as the widow of 49. I agree. This is perfectly true. If she will accept the principle of the Amendment and propose a better way of doing it, I shall be content.

She may, equally, say that there are other women who deserve more help, for example, deserted wives, who in some cases are, in effect, in very much the same category as widows. Here again, I shall have no complaint if she can improve on the Clause. The cost, according to the right hon. Lady, of the Clause would be about £3 million, or less than 2d. a side on the weekly contributions. This is a very small additional cost to deal with the problem of the no-shilling widow. I hope that the Minister will take this opportunity.

I now turn to the other Clause, which concerns the 20s. industrial widow. This is a similar Amendment to the one proposed by my hon. and gallant Friend the Member for Wells (Lieut-Commander Maydon) in Committee on the 1964 National Insurance Bill on 3rd December, 1964. He argued then that, if it were right to put up the pension of the 10s.

[MR. DEAN.]

National Insurance widow to 30s., it was equally right to increase the 20s. pension for industrial injuries widows and war widows to 30s. After all, industrial injuries widows and war widows are the counterpart of the present 30s. National Insurance widow.

Replying to that debate, the Joint Parliamentary Secretary stated that this question and others were being considered by the Industrial Injuries Advisory Council. He recommended the Committee on that occasion to reject the Amendment on those grounds. I should like to ask whether the Industrial Injuries Advisory Council has now reported on this point. If so, what advice has it given and what conclusions have been reached? I hope that we will not be told that this also must wait for the review, because this is another specific example of a case already having been referred to a committee set up to advise the Government on these matters.

However, if the right hon. Lady says that this is unacceptable, why did the Government pick out the 10s. widow for an increase and leave aside the equivalent industrial injuries widow and the war widow? They are as nearly on all-fours as is possible within these separate schemes. I hope that she will tell us. Perhaps she has clear evidence that the industrial injuries and war widows are in less need than the 30s. National Insurance widow and that this was the reason why one was provided for and not the other. I am very doubtful that she has evidence on these lines.

This gives the Government an opportunity to answer these questions on both the 20s. industrial injuries widow and the no-shilling widow within National Insurance.

Mr. James Allason (Hemel Hempstead): My hon. Friend the Member for Somerset, North (Mr. Dean) has referred to the Amendment moved in December. 1964, relating to the industrial injuries widows. On that occasion, I spoke in support of my hon. Friends. I called it a tragic injustice that the 10s. widow had had her pension increased to 30s., whilst the 20s, widow remained in exactly the same position as before. The Parliamentary Secretary replied that the whole problem was part of a fundamental review undertaken by the Industrial Injuries Advisory Council and we had to leave it at

I have, perhaps, more information than my hon. Friend, because the Parliamentary Secretary was good enough to write to me in December to tell me that the Advisory Council had reported and that its report was not very encouraging for the 20s. widows. The majority of reports said that there was no evidence of hardship to a degree calling for an immediate remedy; that the 20s. widow could not be compared with the 10s. widow as she was not in the same condition. Of course she is not: she is in very much worse condition than the 10s. widow as regards her loss. In consequence, the Council made no recommendation. In view of the fact that it had been informed that the whole subject was due for a comprehensive review by the Government, the Council thought it inappropriate to make any recommendations.

However, three members of the Council made a contrary recommendation. They said that they were not satisfied that there was no evidence of hardship among these people. They thought that there was a strong case for comparing the 10s. widow and the 20s. widow, in that, if the 10s. widow has her pension raised to 30s., the 20s. widow is entitled to feel that her case should be considered at the same time.

But the net result is that the 20s. widow has been told once again to wait for another fundamental review. I described this as being unfair 14 months ago, and I still describe it as unfair. It is no less unfair always to be fobbed off with the story that a fundamental review is proceeding. This is what is happening to the 20s. widow. She should have had her pension increased to at least 30s. in the Bill we discussed 14 months ago. and now we are told that she can no longer hope to get it even this year. will still have to wait for one more fundamental review. I hope that the Minister will look more kindly on this case on this occasion and will accept the new Clause.

6.30 p.m.

Miss Herbison: I will deal with new Clause No. 4 first. This applies to the 20s. industrial injuries widow. There is a difference between the 20s. industrial

widow's pension and what was formerly the 10s. widow's pension. The latter had what was known as a reserved right—a right which a widow had under the old Contributory Pensions Acts passed before 1948. The Government decided to continue that right in 1948. When the Government considered the treatment of the industrial widow, it had been decided that the lump sums of the Workmen's Compensation Scheme should play no part in industrial injuries benefits. Under the old compensation Acts there had been lump sum payments for a deceased man's dependants.

It was decided at that time to give a weekly payment of 20s., as was given to the young childless war widow. Since 1948, that 20s. has not been increased. The 10s. pension was increased to 30s. because that was a reserved right carried over from the legislation passed before 1948, but it was not increased until 12 months ago, as the hon. Member for Somerset, North (Mr. Dean) pointed out. It was increased from 10s. to 30s.—in other words, something was done to try to make their pension equivalent in terms of purchasing power to what it had been in 1948.

Some of the 20s. industrial injuries widows had this same reserved right from the old cases. At the beginning of 1966 there were 2,360 of what are known as "20s. industrial injuries widows." Of those, 1,400 had their 20s. pension raised to 30s. That was done because they enjoyed that reserved right under the pre-1948 legislation.

I am not surprised that hon. Gentlemen opposite have raised this matter. In my constituency there is much heavy industry. It contained a great many collieries, because of that there are a large number of what are called "industrial widows" there-particuarly the widows of men who lost their lives in the mines. Among these widows are some who are included in the figure of 2,360. Because of the interest of my hon. Friends and I in these widows, we raised this matter on many occasions when we were in opposition. As a result of the pressure we placed on the then Government, it was decided to refer this matter to the Industrial Injuries Advisory Council. The hon. Member for Hemel Hempstead (Mr. Allason) told us the result of that reference.

We felt that it was right and courteous that hon. Members who had shown an interest in this matter should be given the information about the Council's conclusion as quickly as possible. When the Council had looked at the matter, the majority view of the Council was that, since a searching inquiry into the needs of and provision for widows was going on, it would be wrong for the Council at that time to take the matter any further. However, the majority said that once the inquiry was completed the Council would be willing to reconsider the matter afresh. I accepted that majority view, and that is where the position stands at present.

New Clause No. 5 does not cover a great number of widows, although it does cover a greater number of widows than the Clause dealing with 20s. industrial injuries widows. The hon. Member for Somerset, North suggested that we had created further anomalies. I do not agree. I am sure that he will be fair enough to agree that in raising the benefit of the 10s. widow we did not create an anomaly since the 10s. pension was there and the no-shilling widow already existed. I agree that it is an anomaly, but increasing the pension from 10s. to 30s. did not create an anomaly.

Perhaps we have been responsible for getting rid of at least one other anomaly. The hon. Member for Somerset, North put his case for the Clauses clearly and reasonably and I agree that there are many anomalies in the treatment of widows. Consider, for example, the earnings rule. If a widow went out to work the earnings rule applied to her pension. However, if she had an income from a private source and did not go out to work, there was no reduction in her pension. Hon. Members on both sides of the Committee made representations to the previous government to abolish that By abolishing the earnings anomaly. rule for widows and widowed mothers the present Government have got rid of one anomaly—and getting rid of one from a number of anomalies must be something worth while.

The hon. Member for Somerset, North went on to speak about the divisions which could take place. I agree, but I remind the hon. Gentleman that once one states a definite age—of, say, 50 years—one must have some people aged less than

[MISS HERBISON.] 50, but even worse, people under that age by only an hour. That problem has always caused us great concern.

I have explained the rights of the 20s. widow and I will not repeat the arguments I then outlined in connection with the rights of the 10s. widow, whose pension was increased to 30s. I agree with all the examples that have been given. One cannot represent any constituency without realising the anomalies that exist. These anomalies have, unfortunately, been with us for a very long time. We have tried in the Bill to do a little for widows, even for those who will become no-shilling widows. I am not ashamed to again say that until the review has been completed there will continue to be noshilling widows. At least, by increasing the period from 13 weeks to 26 we are giving a longer period for these women to settle down.

The age of 50 has been mentioned. The hon. Member for Somerset, North was right to draw attention to the fact that women marry earlier and, perhaps because they are tougher—Idonotknowthey live longer, so we have many younger widows. He was worried about what happened to those widows when their families cease to be dependent while the widow is still young and the widows have to go out to work. In 1956 the age for such widows was raised from 40 years to 50. In 1948, the age was 40. I give that just as an example of the various movements that have taken place in this branch of pensions.

The hon. Member referred to a letter mentioning a widow looking after an aged parent. It is not only widows and their position that concern us-and they do concern us. We have the spinster who sometimes go out to work. of the most tragic cases in my constituency have concerned the spinster who goes home to look after ailing parents, is not able to pay the contribution, and who sometimes uses the savings she has made from her work for her own old age to care for her aged parents. It is just another of the many anomalies-

Mr. Dean: The right hon. Lady will remember that I said that there were other categories of women who were equally deserving-small categories. I should be very happy if she would bring forward an Amendment to include other. categories whom she thinks are in need of this help.

Miss Herbison: The hon. Member is quite right. He spoke of the deserted wife. We have the deserted wife, and the divorced wife, and the kind of woman of whom I was speaking. It all shows the very great need there is to get rid of anomalies and examine the subject thoroughly, as we are doing.

One cannot find an easy solution overnight. On Wednesday, my right hon. Friend the Chancellor of the Duchy of Lancaster may be able to give some information, but I can assure the Committee that he will not be able to say what conclusions we have come to. This debate has shown, as all our debates have shown, that this is one of many matters where we will have to start from scratch. I have tried to make it clear that these matters caused me great concern long before I was a Minister-the dividing line at 50, the no-shilling widow, and all the others. It is one that I am certain we shall be able to solve when the complete review is brought before the House.

Mr. Braine: Before the Minister resumes her seat, I would point out that she has made an extremely important admission. It would now appear that her right hon. Friend will not be in a position at the outset of our debate on Wednesday on the Welfare State to make any pronouncement about the review. I make no complaint about that-except that it underlines what I said earlier about the unwisdom, perhaps, of having the debate before the review is published but can she give the Committee any kind of indication as to when this review will be published?

Miss Herbison: I am very surprised that the hon. Member should think that I have made an important admission. He will see from the Official Report that we have been questioned on this subject time and again in the House, and have shown that, for some of the reasons I have just given, this review is not something that can be done quickly. I have, therefore, made no important admission at all. As I said earlier, on the question of welfare provision generally, my right hon. Friend will say much of interest to the House.

Mr. Braine: With the greatest respect to the right hon. Lady, I am not complaining that the review is taking a long time; this may well be evidence that a very thorough job is being done. I am asking her to give us some general indication as to when this review—which is germane to all our discussions on the Bill today, and even more germane to the discussions we shall have on Wednesday—will be completed. The Government must have some idea when it will be presented.

Miss Herbison: No, I could not give any date at all. As I said earlier, we are not waiting until the review is complete before moving in certain ways. This Bill is an example. In our general review we considered this question of earnings-related benefit, and brought forward our provisions when we were ready. It is possible that when we have completed our work on different parts of the review we shall come forward again, as we have now come forward with this completed part. In other words, we have no intention of holding back until the review is completed. Again, I could say something of the work I have been doing on the question of old people. We have no intention of waiting for a complete review before coming forward with, perhaps, some further proposals there.

I therefore think that from all that has been said over this period it has been made perfectly clear that some aspects of the review will take a considerable time. I might add that on this side we are not in the least worried about the debate on Wednesday. Just as I am glad that these Amendments and new Clauses have been tabled, because they have given both sides an opportunity to highlight some of the sores that still remain in our social security system, so I hope that Wednesday's debate may further highlight these matters.

6.45 p.m.

Dame Irene Ward: Before the right hon. Lady sits down, I would point out that my hon. Friend the Member for Essex, South-East (Mr. Braine) was quite right in stating that she had made an important admission. If I recollect correctly, I myself asked the Leader of the House this afternoon whether the result of the review would be available on Wednesday—and I think that I asked

the Prime Minister the same question the other day. The answer was neither "Yes" nor "No". I can honestly say that we were—or, at least, I was—expecting that we would have an important speech relating to the review, but the right hon. Lady now says—and I am very glad that she is so honest about it—that we are not to have any explanation of the review.

That being so, my hon. Friend was right in saying that the Minister had made an important admission. We now know where we are. We realise that the debate on Wednesday will be an interim debate. I appreciate the length of time necessary for a review like this, but ever since the party opposite won the General Election groups of us have been pressing the Chancellor of the Duchy of Lancaster about provision of special allowances for spinsters and widows looking after aged parents, and it is very disappointing to know that we cannot look forward to anything like that. Nevertheless, I am grateful to the right hon. Lady for putting us in the picture, and telling us that this will not be the subject of the review but merely an interim step.

Mr. Allason: The Minister told us that only 960 were concerned under new Clause No. 4. I calculate that the cost would be only £20,000 a year. I should have thought the Insurance Fund could stand that. Could the right hon. Lady not be a little more generous to these people? She has not made a case against the new Clause.

I appreciate that behind this argument lies the fact that war widows also at 20s. and slightly higher rates would tend to run in line. Nevertheless, the problem is not a very big one and I ask the right hon. Lady to look at it again. She gave an excuse that the pension of the 10s. widow went up to 30s. because of cost of living but the pension of the 20s. widow because it was considered by the Review Board falls as a result of the Board giving a divided report. The right hon. Lady should make up her own mind. I ask her to be compassionate on this occasion.

Mr. Dean: Although I appreciate the careful way in which the right hon. Lady has dealt with this point, I am exceedingly disappointed. So far as concerns the 20s. industrial widow it

[MR. DEAN.] appears that we are now to have a review The Industrial Injuries of a review. Advisory Council has reported. reported that there is a very strong case for increasing the amount to 30s. while others said the opposite. Surely this is a case in which the right hon. Lady, having received advice from a body set up to help her with these problems, should make up her mind. Why should we have

a review reviewing a review?

On the question of the no-shilling widow the right hon. Lady made the point that new anomalies were being It is certainly the case that created. every time we make a move on widows' benefits those left out feel a sense of injustice all the greater. When the pension of the 10s. widow was put up to 30s. the no-shilling widow naturally said, "Why is nothing done for me?" Although I very much welcome the way in which short-term problems have been dealt with in this Bill, none the less the no-shilling widow will ask, "Why more for them and nothing for me?". The obligation is on the right hon. Lady, particularly in this essentially long-term problem, to bring forward a solution urgently. It does not cut any ice with these widows to tell them, "You must wait for the review". The more we deal with short-term problems and leave aside the long-term problems, the more we shall get into difficulties. For these reasons I am very disappointed with the right hon. Lady's reply.

Mr. Hugh D. Brown (Glasgow, Provan): Having listened to some of the views expressed by hon. Members opposite. I hope that we are not to be pressurised into making concessions when no concessions are needed. We have heard emotional phrases about widows, about doing something to assist the 10s. widow and as to whether it is justified to help the no-shilling widow. It would be more practical to say what we mean when we talk about assisting a no-shilling widow. There, surely, we are thinking of a woman who, unfortunately, has lost her husband but who is of an age when it is not unreasonable to expect her to make a contribution in her own interests and in the interests of society. I think we are doing harm to a woman under 50 if we encourage the belief that it is desirable

for her to sit at home and receive a pension.

Committee

Mr. Dean: Surely that is not the case. The hon. Member appears to be saying that it is perfectly simple for a woman widowed at the age of 49, who has spent the last 20 years bringing up children, to go out and get a job.

Mr. Brown: I must put that intervention down to language difficulty and suggest that the hon. Member for Somerset, North (Mr. Dean) did not understand what I was saying. Of course I recognise that there is a problem in widowhood. Because I think I have more understanding of the problem, I suggest that we should look at it with less emotion and with a more practical and common sense approach. There will always be a dividing line. The hon. Member suggested that because a woman is widowed. willy-nilly she should be entitled to a pension. No one else accepts that and hon. Members opposite, when they were in Government, did not accept it. I think they were quite right in that.

If we examine the best interests of women who are widowed we find that the biggest step forward has been the introduction of the 26 weeks instead of 13 weeks benefit period. That was the biggest single improvement made by any Government for a long time. Surely hon. Members will not argue that giving someone a 30s. a week pension solves all that person's economic problems. Of course it does not. That is a purely emotional approach. My only reason for intervening is to say that I hope my right hon. Friend will not be carried away and assume that there is great strength of opinion which suggests that pensions should be paid without proper examination of the problem.

Sir K. Joseph: I do not think that anyone in this Committee believes that the right hon. Lady is in danger of being carried away by anyone. The difficulty which the hon. Member for Glasgow, Provan (Mr. Hugh D. Brown) faces is that the right hon. Lady, I am sure, herself believes in the justice of these proposals. I wrote down what she said: "Until the review is completed there will continue to be no-shilling widows". There were two implications to be drawn from that. The first was that the review will almost certainly provide something

for no-shilling widows. The second was that the right hon. Lady is greedy for virtue and wants everything to come from the review, and wants her right hon. Friend to have all the credit.

Here is something which is unambiguous, useful and helpful. The 30s. a week is a useful supplement for a woman who, as my hon. Friends in very cogent speeches have said, may not be able to return quickly to the labour

force. She may have been out of action for work outside the home for many years. My hon. Friends and I are very disappointed that the Government do not see fit to take this step now. I hope that my hon. Friends will divide the Committee.

Question put, That the Clause be read a Second time:—

The Committee divided: Ayes 104, Noes 114.

### Division No. 30.]

Alison, Michael (Barkston Ash) Allason, James (Hemel Hempstead) Amery, Rt. Hn. Julian Balniel, Lord Batsford, Brian Bennett, Sir Frederic (Torquay) Bessell, Peter Birch, Rt. Hn. Nigel Black, Sir Cyrll Blaker, Peter Boyd-Carpenter, Rt. Hn. J. Braine, Bernard Brinton, Sir Tatton Brooke, Rt. Hn. Henry Brown, Sir Edward (Bath) Bruce-Gardyne, J. Bryan, Paul Bullus, Sir Eric Burden, F. A. Buxton, Ronald Clark, Henry (Antrim, N.) Clark, William (Nottingham, S.) Cooke, Robert Gooper, A. E. Corfield, F. V. Graddock, Sir Beresford (Spelthorne) Curran, Charles Davies, Dr. Wyndham (Perry Barr) Dean, Paul Eden, Sir John Efliott, R. W.(N'c'tle-upon-Tyne, N.) Eyre, Reginald Fletcher-Cooke, Charles (Darwen) Fraser, Ian (Plymouth, Sutton) Glever, Sir Douglas Goodhew, Victor

# AVES

Grant, Anthony Grant-Ferris, R. Gresham Cooke, R. Grieve, Percy Griffiths, Peter (Smethwick) Gurden, Harold Harrison, Brian (Maldon) Harrison, Gol. Sir Harwood (Eye) Harvey, John (Walthamstow, E.) Hawkins, Paul Heald, Rt. Hn. Sir Lionel Hobson, Rt. Hn. Sir John Hordern, Peter Hornshy-Smith, Rt. Hn. Dame P. Irvine, Bryant Godman (Rye) Jenkin, Patrick (Woodford) Johnston, Russell (Inverness) Joseph, Rt. Hn. Sir Keith Kilfedder, James A. King, Evelyn (Dorset, 8.) Kirk, Peter Lagden, Godfrey Legge-Bourke, Sir Harry Lewis, Kenneth (Rutland) Longden, Gilbert Lubbock, Eric McAdden, Sir Stephen MacArthur, Ian Mackenzie, Alasdair (Ross&Grom'ty) McLaren, Martin Maclean, Sir Fitzroy Mawby, Ray Mitchell, David Monro, Hector Mott-Radelyffe, Sir Charles

#### [6.59 p.m.

Murton, Oscar Noble, Rt. Hn. Michael Onslow, Cranley Page, R. Graham (Groshy) Peel, John Prior, J. M. L. Pym, Francis Quennell, Miss J. M. Renton, Rt. Hn. Sir David Roots, William Scott-Hopkins, James Sharples, Richard Sinclair, Sir George Smith, Dudley (Br'ntf'd & Chiswick) Smyth, Rt. Hn. Brig. Sir John Spearman, Sir Alexander Steel, David (Roxburgh) Studholme, Sir Henry Summers, Sir Spencer Taylor, Sir Charles (Eastbourne) Taylor, Frank (Moss Side) Teeling, Sir William Thompson, Sir Richard (Croydon,S.) Tiley, Arthur (Bradford, W.) Turton, Rt. Hn. R. H. van Straubenzee, W. R. Ward, Dame Irene Weatherill, Bernard Webster, David Whitelaw, William Wilson, Geeoffrey (Truro) Wolrige-Gordon, Patrick Woodhouse, Hn. Christopher

TELLERS FOR THE AYES: Mr. More and Mr. Younger

#### NOES

Allen, Scholefield (Grewe) Atkinson, Norman Bacon, Rt. Hn. Alice Bence, Cyril Benn, Rt. Hn. Anthony Wedgwood Bishop, E. S. Blenkinsop, Arthur Boston, Terence Bowden, Rt. Hn. H. W. (Leics S.W.) Bray, Dr. Jeremy Brown, Hugh D. (Glasgow, Provan) Brown, R. W. (Shoreditch & Fbury) Buchan, Norman (Renfrewshire, W.) Butler, Herbert (Hackney, C.) Carter-Jones, Lewis Castle, Rt. Hn. Barbara Chapman, Donald Conlan, Bernard Corbet, Mrs. Freda Cousins, Rt. Hn. Frank Crossman, Rt. Hn. R. A. S. Darling, George Davies, Harold (Leek) Davies, Ifor (Gower) de Freitas, Sir Geoffrey

Delargy, Hugh
Dell, Edmund
Diamond, Rt. Hn. John
Driberg, Tom
Edwards, Robert (Bilston)
Fitch, Alan (Wigan)
Fletcher, Raymond (Ilkeston)
Floud, Bernard
Foot, Sir Dingle (Ipswich)
Ford, Ben
Fraser, Rt. Hn. Tom (Hamilton)
Freeson, Reginald
Grey, Charles
Griffiths, Rt. Hn. James (Llanelly)
Hamilton, James (Bothwell)
Hamilton, William (West Fife)
Hamling, William (Woolwich, W.)
Hannan, William (Woolwich, W.)
Harnan, William
Harper, Joseph
Hart, Mrs. Judith
Hazell, Bert
Herbison, Rt. Hn. Margaret
Hobden, Dennis (Brighton, K'town)
Holman, Perey
Howarth, Harry (Wellingborough)

Howell, Denis (Small Heath) Howie, W. Hoy, James Hughes, Hector (Aberdeen, N.) Hunter, Adam (Dunfermline) Hunter, A. E. (Feltham) Hynd, H. (Accrington) Hynd, John (Attercliffe) Jeger, Mrs. Lena (H'b'n&St.P'cras, S.) Jenkins, Rt. Hn. Roy (Stechford) Johnson, Carol (Lewisham, S.) dones, Dan (Burnley) Kelley, Richard MacDermot, Niall McInnes, James McKay, Mrs. Margaret McLeavy, Frank Manuel, Archie Mason, Roy Mellish, Robert Mendelson, J. J. Mikardo, Ian Miller, Dr. M. S. Molloy, William Monslow, Walter

Morris, Charles (Openshaw)
Murray, Albert
Newens, Stan
Noel-Baker, Rt. Hn. Philip (Derby, S.)
Norwood, Christopher
Ogden, Eric
O'Malley, Brian
Oram, Albert E. (E. Ham, S.)
Orme, Stanley
Page, Derek (King's Lynn)
Palmer, Arthur
Park, Trevor (Derbyshire, S.E.)
Parker, John
Pavitt, Laurence

Peart, Rt. Hn. Fred
Pentiand, Norman
Perry, Ernest G.
Prentice, R. E.
Pursey, Cmdr. Harry
Redhead, Edward
Reynolds, G. W.
Robinson, Rt. Hn.K.(St. Paneras, N.)
Ross, Rt. Hn. William
Shinwell, Rt. Hn. E.
Short, Rt. Hn. E. (N'c'tle-on-Tyne, C.)
Silkin, John (Deptford)
Silverman, Sydney (Nelson)
Skeffington, Arthur

Small, William
Soskice, Rt. Hn. Sir Frank
Stones, William
Tomney, Frank
Urwin, T. W.
Wainwright, Edwin
Wallace, George
Warbey, William
Weitzman, David
Willis, George (Edinburgh, E.)
Zilliacus, K.

Committee

TELLERS FOR THE NOES: Mr. Lawson and Mrs. Slater.

# New Clause.—(Earnings rule for retirement pensions.)

In section 4(2) of the Family Allowances and National Insurance Act 1964 (which relaxes the earnings rule in respect of retirement pensions) for the words "one hundred shillings" there shall be substituted the words "one hundred and twenty shillings" and for the words "one hundred and twenty shillings" there shall be substituted the words "one hundred and forty shillings".—[Mr. Dean.]

Brought up, and read the First time.

Mr. Dean: I beg to move, That the Clause be read a Second time.

I am sorry that the Chancellor of the Duchy of Lancaster is not in his place—doubtless he has a good reason—because it was he who dealt with this point the last time it was raised. The Clause aims to raise by £1 the amount which pensioners can earn without any deduction in pension; in other words, it would raise the limit from the present £5 to £6. It is precisely similar to the Amendment we moved to the last National Insurance Bill on 3rd December, 1964.

I have said in the House of Commons on a number of occasions, and I say it again, that in my view the only solution to the problem is to abolish the earnings rule. I know that there are complications about that. I know that if the rule were abolished it would mean giving a full pension to people who are working full-time over the minimum pension age. I agree that other changes would be required to get over this difficulty, but, none the less, it is both economically and socially necessary to find a solution to the problem.

Economically, we are short of labour. The National Plan shows clearly that we are short of labour and it points to our elderly people as one of the possible sources of more labour. If this be so, it must be economically right to encour-

age those who are able and willing to do so to carry on at work after the minimum pension age.

Socially, the most important need is to encourage gradual retirement. The social problems created by a man or a woman working full-time one week and going into full retirement the next are well known, and I need not detain the Committee with them. We need a pension situation which encourages people to ease off gradually. Instead of the sharp break which there always tends to be now, there should be more opportunities for part-time employment.

Thus, on both economic and social grounds, it is clear that the earnings rule, whatever value it may have had in years past, is now out of date and works clean contrary to those highly desirable objectives.

On Second Reading, the right hon. Lady told us that she had referred the whole matter to the National Insurance Advisory Committee. One cannot, therefore, expect her today to say that she will accept abolition of the earnings rule—I neither ask for that nor expect it—but I must put to her one or two questions about the Advisory Committee's terms of reference on this subject. The right hon. Lady defined the terms of reference as being

"To review the present level of the earnings limit for retirement pension earners and to examine matters arising therefrom; and to report".—[OFFICIAL REPORT, 7th February, 1966; Vol. 724, c. 51.]

Is the question of abolition clearly within those terms of reference? I want the right hon. Lady to give us a definite answer to that question because, when the whole question of the retirement condition and the earnings rule was last considered by the Advisory Committee, in 1955, the terms of reference were very much the same as the terms of reference

of reference were:

"To consider whether adjustments in the present earnings limits . . . are called for, any matters arising therefrom, and to report ". On that occasion, the Advisory Committee interpreted the terms of reference as excluding the question of the retirement condition entirely from its consideration, saying in paragraph 9 of its Report, Cmd. 9752:

"The principle that between age 65 and 70 (60 and 65 for women) pensions should be conditional upon retirement from regular employment is settled Government policy, and as such is excluded under our terms of refer-

I hope the right hon. Lady will tell us today that the question of the abolition of the whole apparatus is within the Advisory Committee's terms of reference and that this is one of the matters she expects it to discuss.

7.15 p.m.

The new Clause provides not for abolition but for relaxation. I hope that we shall not have our old friend the review in this case, the National Insurance Advisory Committee-dragged out again as the reason why nothing should be done. If that be the argument, there are some very good answers. First, the relaxation which we propose introduces no new principle. The suggestion is merely that the relaxation which has been done on many occasions since the war should now be carried a stage further. Therefore, it is no adequate reason to say that the subject has gone to review and that we must, therefore, carry on with matters as they are in this respect, as in so many others which we have been discussing.

On the last occasion when a similar proposal was put to the Committee, the Chancellor of the Duchy replied to the debate. He admitted, in the first place, that the abolition of the earnings rule for the widow had created a fresh impetus for the same move in respect of the retirement pensioner. He said:

"I know that fresh impetus has been given to the desire to relax the rule for retirement pensioners by the abolition of the rule for widows. I quite understand that. There is no doubt that the complete abolition of the rule for widows puts in fresh relief the existence of the rule now only for retirement pensioners. [Official Report, 3rd December, 1964; Vol.

I admit that the right hon. Gentleman went on to say that, in his view, there was

given on this occasion. In 1955 the terms a difference between the earnings rule for the widow and the earnings rule for the retirement pensioner, but he admitted, nevertheless, that a fresh impetus had been given to the desire to abolish it for the retirement pensioner as well. What he admitted to be true then is equally true today.

> The second main argument the right hon. Gentleman used on that occasion was that the raising of the limit is normally done by regulation and at a different time from a Bill. But he did not attach very much importance to that point, saying that it did not really matter one way or the other. That is another argument, therefore, which bears no weight.

> His third main argument was that the rise in earnings since the last increase in the limit did not warrant a further increase at that time, that is, at the end of 1964. I admit that there was some weight, perhaps considerable weight, in that argument at the time, but it does not The figures show carry weight today. strikingly that, in the last two years since the limit was raised, average earnings have risen, in round figures, by about £2 10s. In May, 1963 the limit was raised to £4, and at that time average earnings were about £16. In January, 1964 the limit was raised to £5, by which time average earnings had risen to, roughly, £17 10s. In other words, there was an increase in the earnings limit of £1 during a period in which earnings had risen by £1 10s.

The present proposal is to increase the earnings limit to £6 when average earnings are not far short of £20. In other words, we propose that, after a period in which earnings have risen by about £2 10s., the earnings limit should be raised by £1. Therefore, not only is there a strong case now for raising the limit again because of the rise in earnings since the last occasion when it was raised, but, more than that, if we were to maintain the ratio between the earnings limit for a retirement pensioner and average earnings, one could well argue that there was a strong case for an increase in the limit of not £1 but something like £1 10s.

These are very strong arguments for a relaxation of the rule. We have a situation in which average earnings have increased by no less than £2 10s. since the last change, whereas the retirement

[MR. DEAN.] pensioner who is earning still has his earnings based on the position of two years ago. That is a strong case for saying that, as other sections of the community have increased their earnings during this time, so the retirement pensioner should be able to earn more before his pension is affected.

The only other argument which could be used is that of cost. I hope that the Government will not use it because, in an Answer to a Parliamentary Question, they stated that the cost of this proposal would be about £350,000 a year. I hope that the right hon. Lady, in view of what appears to be a very strong case, will be able to accept the new Clause.

Mr. Braine: I strongly support the new Clause, which was moved in a cogent and forceful speech by my hon. Friend the Member for Somerset, North (Mr. Dean). If one is not to be misunderstood, it is essential to make it plain that to abolish the earnings rule in its entirety would presumably be neither wise nor practicable. I recall that in 1964 it was estimated that the cost of doing so would be about £100 million, and most of the benefit would go to those in full-time work.

Nor do I quarrel with the basic principle of our insurance system that benefit is paid only when earnings are interrupted, or cease through sickness, unemployment or retirement. But I am utterly against-and I feel that many hon. Members are, too-the present rigidity in our social services. Social conditions change and expectations of better social provision are rising all the time. Average earnings increase and our definition of need alters. This is why I look forward, as I have said before, to the long overdue review promised by the Chancellor of the Duchy of Lancaster.

To relax the earnings rule in the pensioners' favour as circumstances permit makes good social and economic sense. The Minister earlier, alleged that we had done nothing to change the Beveridge scheme of social security during the 13 years we were in office. That is not true. We made steady improvements—and right hon, and hon. Members opposite have said so readily-except, of course, at election time, or when their thoughts are turning to elections. They have conceded

that in that period there were substantial, improvements in our social provisions for the sick, the unemployed and the retired. I want to put that on record in view of the unnecessarily provocative remarks made by the right hon. Lady. In this context, we raised the earnings limit five times-in 1956, 1959, 1960, 1963 and 1964. When we left office, a retirement pensioner could earn up to £5 a week net with no reduction in his pension as against £2 a week net when the last Labour Government were in power. We should get the facts on record.

I support the Clause on two principal grounds. The first is that a further relaxation is well overdue. I am surprised that the Government did not act in this matter when they relaxed the earnings rule in respect of widows in the National Insurance Act, 1964. On both sides then there was general agreement that this was a wise step to take for widows and I recall the arguments used by the Chancellor of the Duchy of Lancaster for distinguishing at the time between the widow who had lost the support of her husband and the retirement pensioner who had simply ceased to get his wages or salary from his former employment. I accept the distinction, but my experience has been, as has the experience of others, that the pensioners at that time did not, and they still do not, appreciate why they were left out.

Moreover, I am certain that there would be a considerable gain to the economy by a further relaxation which would offset any loss of revenue. I would argue that every incentive ought to be given to men to go on working if they wish to do so. I concede that not all pensioners at retirement age are fit enough to postpone drawing their pensions completely in order to earn a higher pension later. I am referring only to those who, having retired, wish to supplement their pensions by doing a relatively light job.

The second reason for my support of the Clause is that it is generally accepted that there should be a relationship between any relaxation of the earnings rule and the rise in the level of wages. During the Committee stage of the National Insurance Act, 1964, the Chancellor of the Duchy of Lancaster said:

"The normal reason for relaxing the earnings rule is to keep the condition of the rule

in harmony with the rise in wages, to keep he two things in some sort of relationship."

—[OFFICIAL REPORT, 3rd December, 1964; Vol. 703, c. 843.]

Like my hon. Friend, I have looked into this carefully. His proposal would raise the limit from £5 to £6 as the net amount that could be earned without any reduction in pension. My hon. Friend went into some detail to show exactly how this would work out. Let us consider the effect against the background of changes in average earnings since 1964.

In January, 1964, when we raised the limit to £5, the average earnings totalled £17 10s. Today, we are proposing that the limit should be raised to £6, and average earnings have risen to about £20. That rise of £2 10s. in average earnings is two-thirds greater than the increase which took place between the relaxation of the earnings rule by £1 between May, 1963, and January, 1964. Thus, the Amendment is fully justified on social grounds and more than justified on economic grounds. Society must adjust its attitudes towards the whole question of retirement. That means that Government and Parliament must give much greater thought to the problem than up to now.

7.30 p.m.

When I was at the Ministry of Health, I once asked an eminent physician why it was that, on average, women lived longer than men. He laughed and came back with the reply, "The answer is quite simple-women never retire". The more one thinks about that, the more true it seems to be. I am sure that most hon, Members would agree that we should get away from the present rigidity in the retirement condition. I know that many of my constituents wish to do so. In my "surgery" every Saturday morning, I have many old-age pensioners coming to see me and more than once they have told me that they want to carry on working and do not appreciate the earnings rule. They say, "I have earned my pension. Why can I not go on working a little to supplement it?" It is very difficult to answer that sort of question.

Acceptance of the principles contained in the Clause would be a move in a direction socially desirable and in the best interests of pensioners who do not want to continue to work flat out, but who want to do some work. Nobody says that the man who has done his share and

who has worked hard all his life should continue to work flat out unless he wishes to do so, in which case he is covered by the provisions for deferring pension and getting a higher rate when, finally, he retires.

The provision which we suggest is socially desirable and it would be welcomed by pensioners generally. It would enable many citizens, who at the moment are prevented, to have the feeling that they were continuing to be useful and productive members of the community. It is on those grounds that I strongly support this proposal and I hope that the right hon. Lady, even if she cannot give any firm indication tonight, will show that she is generally sympathetic to the objectives of the Clause.

Dame Irene Ward: The arguments in favour of the new Clause have been very well put by my hon. Friend the Member for Somerset, North (Mr. Dean) and my hon. Friend the Member for Essex, South-East (Mr. Braine) and I do not propose to go over their reasons again. However, I must not miss this magnificent opportunity to say something about the National Insurance Advisory Committee, which has featured in these debates for many years.

When I heard the right hon. Lady give exactly the same answers as Ministers of my party gave, I wondered how the new Government could represent themselves as a modern, up-to-date, go-getting Government. It may or may not be true, but I have always somewhat suspected that this earnings rule, established as it was by the Labour Government of 1945. largely for protection purposes—and I accept their importance—was wanted by the trades unions. Certainly, nobody has ever denied it and it is probably a statement of fact.

However, the trade unions have moved a long way forward in the last couple of decades and I should have thought that their position was so secure that they could spare a little thought for those who, in their retirement, still wanted to keep going and do a useful job. All the psychologists and all the health people say that the great thing for the elderly is to have an interest in life and that to have something to do is probably as important to life among the elderly as getting a little extra money. When people

[DAME IRENE WARD.] retire and have nothing in particular to please them or amuse them, it is very exhilarating for them to be able to do a useful job and it seems ridiculous that they should be deprived of a reasonable amount of money being added to their pensions.

I have a rather suspicious nature and I have always somewhat wondered, especially since the earnings rule has been relaxed for the widows-and I was very pleased that it was-when there did not seem to be any difficulty about it, whether the Advisory Committee had not wanted to do that all the time. On the other hand, there are many spinsters who have to stand on their own insurance and earn their own retirement pensions. It is all very well to say that women work longer and live longer, but, the longer one lives, the more is required to keep one happy and comfortable. The time has surely come for a greater relaxation of the rule.

Over the years, the Advisory Committee has studied every aspect of these matters. I do not suppose that there is any member of that Committee who does not know every detail of how any proposal would effect the economy, the trade unions and employment in certain areas. The members of that Committee must be bored when every time a proposal comes forward-from either party the Minister takes refuge in referring it to the Committee. If all the facts are known, I would have thought that we could get the Committee's advice in the twinkling of an eye. I suspect that the fact that we do not means that referring matters to the Committee is one of the ways in which the Minister puts off additional expenditure. I think that the reference is a smokescreen and that we could very well do without this Advisory Committee.

After all, Ministers must have some idea of life themselves and need not always rush to an advisory committee which has existed since 1948. At the beginning, Ministers probably did not know all the details of the industrial position and how relaxation of the rule would affect the economy, but, after 18 years, Ministers and "Shadow" Ministers must know all the answers themselves. I suspect that all this is a manoeuvre. It may support the trade union view and it may show the world how careful we are about spending public money. In fact, however, in these circumstances we could make economies which would make the money available.

I am sick of this advice from the Advisory Committee. This continual reiteration fills me with gloom. It would be a very good idea to ask the Committee to give the facts concisely in a brief memorandum. It does not need to chew over the whole thing again and I am sure that it has a file that would reach almost to the roof of this building. I am all in favour of this Clause. I think that it is very moderate and could not possibly do anyone any harm.

Sometimes people believe what they hear and see on radio and television. I do not believe for one moment that the team in the Ministry of Pensions and National Insurance ever said over the air that it would be so adamant over such a small sum. The retirement pensioners do not have a clue about what the Advisory Committee is. They think that it is the Ministry, those glorious Ministers who go on to television with such persuasive charm. They think, "Dash it all, they are letting up down".

This point will help us to win the next General Election, but if I have to choose between getting this little bit of added pleasure in fighting the election campaign, or giving the pensioners this concession now, I would rather see the right hon. Lady grant this small relaxation for the retirement pensioners. In view of the increase in fuel costs and heating-

Mr. Pentland: Ah, ah.

Dame Irene Ward: It is no good saying "Ah, ah". It is a reality. It is all right sitting in this overheated Chamber, but electricity prices go up. Hon. Members opposite say that it is bureaucracy gone mad, but they do nothing about it. All I am saying is that one wants to give as much comfort as one can to retirement pensioners and, at the same time, to give them as much interest in life as possible. Let us abolish the Advisory Committee and let the Minister take the decision herself.

Mr. Kenneth Lewis: We have had a long debate and I do not want to detain the Committee. I would like to underline one or two points which have been made, and make some of my own. I believe that the rule should be relaxed because pay has gone up and because there has been a considerable rise in the cost of living in the last few years. A lot of these pensioners get their extra £1 anyway and nobody knows about it. The difficulty is that where one has a rule as tight as this is, those who get away with it enjoy doing so and others who can only find the kind of work where they are on some one's payroll find themselves handicapped because it is known exactly what they earn and the earnings rule bites against them.

Mr. Pentland: That is a very interesting point. Is the hon. Gentleman really saying that some of the old-age pensioners, for whom we are concerned when discussing the relaxation or abolition of the earnings rule, are really getting away with something?

Mr. Lewis: Of course I am saying that. They get paid, but they are not on anyone's payroll and therefore the earnings rule does not affect them. am being perfectly straightforward. If they are working on a casual basis, which is accepted by the Ministry of Labour and which is not looked at by the Treasury, they are not breaking any rules. It is just something which is accepted as being a fair way of increasing incomes. This rule bears hardly on the people who cannot do this. The right hon. Lady has put this matter to the review body. Why have the Government not made a decision on this themselves? Why do they have to go to the review body?

7.45 p.m.

I was interested in a statement made by the National Insurance Advisory Committee recently on this matter. body has been asked to look into the earnings rule and into other matters related to it. This is interesting because it has been asked to look at the regulations which enable the elderly retired to draw unemployment pay, although they have not reached retiring age. Are the Government considering whether this unemployment pay should stop? The Committee is also being asked to look at the position of people drawing unemployment pay who have retired earlier than the normal retiring age. Presumably, the right hon. Lady has asked the Committee to look into these matters. The third paragraph of the Committee's statement, as set out in *The Times*, reads:

Committee

"Critics of the present position have often expressed the view that many retired professional people, especially where they have gone to live in rural or coastal districts, have really left the employment field and claim unemployment benefits and credits with no real intention of taking another job."

The right hon. Lady is suggesting that the review body should look at what she obviously thinks exists, the position whereby professional people who retire early are drawing unemployment pay and do not intend to work. She knows perfectly well that when people sign on at the employment exchange they have, after a certain period of time, to take a reasonable job offered to them or their unemployment pay can be stopped.

### Miss Herbison rose

Mr. Lewis: I will give way in a moment. I ask the right hon. Lady what was the point of having the review body look at this?

Miss Herbison: I merely wish to ask the hon. Member what part of the new Clause applies to those who are under pension age? I will be grateful if he can tell me.

Mr. Lewis: We are asking that the earnings rule should be relaxed. If it were relaxed it would mean that many of the questions which the right hon. Lady is putting to the review body would be unnecessary. In asking these questions she is prejudging matters which may never arise. If the earnings rule is relaxed, there is no need to ask questions of this kind. These people want to earn. They want to be able to increase their income over and above their pensions by earning. We assisted them to do this when we were in power, and there is no reason why the Government should not be able to make their own decision without putting questions of this sort to the review body.

Mr. Charles Curran (Uxbridge): I speak with some reluctance to the right hon. Lady on this matter. We have been round this mulberry bush so many times that she is familiar with all the words. Therefore, I will not repeat more of them than is strictly necessary.

I invite the right hon. Lady to recall the position she took up when she was

[MR. CURRAN.] on this side of the Committee and I was on the benches opposite and we were both in agreement in attacking the earnings rule. There was more than one occasion when I not only attacked my own Government but voted against them. The right hon. Lady understands perfectly well the human case against this rule. We are seeking to erode it, to lift the ceiling a little higher. I fancy that as things are the only way in which this rule can be removed is by lifting the ceiling to the point at which it does not make any difference. If the ceiling could be lifted not to £6, which we urge in the new Clause, but to £100 it would make no difference to anybody, and everybody would be pleased with that solution. I do not know whether the Minister recommends doing that. If she does, my hon. Friends and I will be glad, even at this stage, to see whether we can amend the Bill to give effect to that.

I ask the right hon. Lady, without inflicting on her a procession of the familiar arguments, to address herself to some direct questions. We all know that the rule was created by the Labour Government in 1948 for two reasons. The first was that the 1948 Act gave people benefits only if they were unable to work. It was argued that if we gave people retirement pensions it was not right that they should draw the pension and go out to work. Secondly, it was created for the implied reason that we were giving people a retirement pension which was big enough to enable them to support themselves without earning money. That assumption has long since gone by the board. The processes of post-war inflation have reduced the value of the pension to the point at which nobody can seriously argue that it is possible to live on it by itself. That has been true for 20 years, and it is true today. Therefore, the implied basis of the rule, namely, that we were giving people a subsistence pension on condition that they retired and therefore that we were entitled to attach to that pension the penalty of the earnings rule, has vanished. I ask the right hon. Lady to tell us whether she agrees

For 20 years this rule has been supported rigorously by the trade unions. They have always been the watchdogs of the earnings rule. They have always

barked in a very familiar chorus. They argue that if we give people pensions without tying strings to the money they will take the pension and go into the labour market and work on the cheap. It is said that this is a method of creating an army of cut-price workers. I ask the right hon. Lady whether she believes that now. Does she think that in 1966 anyone can seriously argue that we should keep the earnings rule in order to protect trade union rates of pay? It is now self-evident that in a full employment labour market the trade unions are perfectly capable of protecting wage rates without penalising the pensioner. I invite the right hon. Lady to say whether she dismisses this argument as bogus.

The Chairman: Order. It is time that the hon. Gentleman applied his arguments to the figure in the new Clause.

Mr. Curran: I agree, Sir Samuel. I am asking the Government to lift the ceiling, but, in doing so, I have to deal with the argument for keeping the ceiling where it is, which is that it should be at its present level in order that the rule shall fulfil its purpose. It can be argued, in reply to me, that if we lift the ceiling we remove the reason for the rule and therefore that the ceiling should not be lifted. I fancy that that will be the reply to what I am saying. I want to anticipate it and deal with it before it is made.

I ask the right hon. Lady whether she agrees that by keeping the ceiling where it is she is stimulating a widespread feeling of injustice in our society. We are all familiar with the fact that people who draw retirement pensions feel, whether it is reasonable or not, that they should get the money as of right. To tell them that they get the pension only with a retirement condition which must be guarded by the earnings rule is to say something which may make sense in Whitehall but which makes no sense outside Whitehall.

May I say parenthetically to the Joint Parliamentary Secretary that I congratulate him on his naïvety when he interrupted my hon. Friend the Member for Rutland and Stamford (Mr. Kenneth Lewis). I heard him express amazement, incredulity and shock at the suggestion that there were pensioners who earned extra money and evaded the earnings rule by not declaring their earnings. I understood the hon. Gentleman to say that he

could not believe that. He thought that this was an incredible, astounding and completely unbelievable statement. He must have lived a very sheltered life. He must have been guarding his innocence jealously if he does not know that there are—

Mr. Pentland: Is the hon. Gentleman aware that I was born in a colliery village and lived in a colliery village all my life—a very sheltered life indeed!

Mr. Curran: It is all the more remarkable that someone who has lived all his life in a colliery village should say that he could not believe that pensioners earned money and evaded the earnings rule by not declaring their earnings. Does he really say that that is something of which he has never heard?

Mr. Pentland: Will the hon. Gentleman tell us the retirement pensioners in Uxbridge who are deliberately evading the rule by not declaring their earnings?

Mr. Curran: That is a very good question, and I should be glad to answer it—

The Chairman: Order. The hon. Gentleman must confine his remarks to the figure in the new Clause.

Mr. Curran: I agree, Sir Samuel.

This limitation is bad. Any other limitation would be equally bad. I do not accept that if we keep the rule as it is and decline to lift the ceiling, we shall be supporting the Parliamentary Secretary's suggestion—

Mr. Pentland: I am not making any suggestion.

Mr. Curran: I want to deal with the Parliamentary Secretary's assertion that he cannot believe that pensioners ever draw the pension and evade the rule by not declaring their extra earnings. He asks me whether I can give any examples from Uxbridge. I do not propose to act as an unpaid "nark" for the Ministry of Pensions. I should have thought that it was widely known that there were quite a number of old gentlemen and old ladies drawing the pension who earned a little extra money and evaded the rule by failing to declare it. I repeat that if the Parliamentary Secretary has never heard of this, he must have been living in a

world of his own. That is something of which everybody must be aware.

Committee

8.0 p.m.

I want to ask the Minister one other question. Can the Advisory Committee, to which the right hon. Lady has referred the matter, recommend abolition of the rule? Is it competent for the Advisory Committee to say that the rule should go? Is it required simply to say whether the rule should be modified? This goes to the root of the argument. Suppose that the Advisory Committee recommends abolition of the rule. What then? Would the Government act upon that, or would they simply tell us once more that we must await the outcome of the celebrated review with which the Chancellor of the Duchy of Lancaster is so busy?

I repeat that I do not want to inflict upon the Minister at great length all the familiar arguments, but I should like to get an idea of the way in which her mind is working. I ask these questions, therefore, for explanatory reasons, in the same way as I should be glad, if I had the chance, to put them to the Chancellor of the Duchy of Lancaster.

Mr. Pentland: I listened carefully to the case put by the hon. Member for Somerset, North (Mr. Dean) and other hon. Members. I agree with the hon. Member for Uxbridge (Mr. Curran) that many of the arguments which we have heard this evening have been ventilated many times in the past.

I want briefly to put the Government's case concerning the new Clause. We simply feel that the time has now come for a more thoroughgoing re-examination of the position. As announced by my right hon. Friend on Second Reading, we have asked the National Insurance Advisory Committee to undertake this task.

Hon. Members have asked how wide the terms of reference are. They will be wide enough to enable the Advisory Committee to consider every possible avenue relating to the problem. It is as wide as that. If the Advisory Committee recommends abolition of the rule, that would be fair enough. To put the matter beyond doubt, I will quote the terms of reference:

"To review the present level of the earnings limit for retired pensioners and to examine matters arising therefrom, and to report."

[Mr. Pentland.] These terms of reference are simple and very wide.

The last examination was conducted in 1955-56 when a similar reference was made, under the previous Government, to the Advisory Committee, which on that occasion produced a useful report containing a number of suggested changes, most of which were subsequently adopted by the former Administration. Since then, as the hon. Member for Somerset, North has indicated, the level at which the earnings rule begins to operate has been raised on a number of occasions. On three of those occasions, however, the change was made by Regula-The Advisory Committee was simply called upon to consider whether an increase to a specific amount proposed by the Government was justified. Those were the terms of reference on those occasions.

We have also to consider that in the last 10 years there have been important developments in National Insurance, such as the increases in the level of benefits and changes in the provisions governing There has also been the increments. introduction of graduated contributions and benefits. Quite apart from these substantial changes, a number of lesser problems and difficulties about the working of the earnings rule have arisen which, in the Government's view, could be usefully examined by the National Insurance Advisory Committee.

There are, for example, deductions which are made from the pension in respect of earnings exceeding the basic level to which the hon. Member for Uxbridge referred. At present, these deductions amount to 6d. in the 1s. for the first 20s. of earnings above the level and 1s. for every 1s. thereafter. The Clause does not propose to alter this. It makes no mention of it. It might, however, be desirable to consider whether an extension of this proportionate band would now be appropriate. This, too, is a question which the National Insurance Advisory Committee will consider. In addition, the way in which earnings are calculated, including the special problem of people whose work is intermittent or whose earnings cannot easily be expressed as a weekly rate, ought, no doubt, now to be considered.

There is also the problem of allowable deductions from earnings, including the existing somewhat anomalous rule under which Income Tax collected under P.A.Y.E. from salary or wages may be deducted but no allowance can be made for tax liability in other respects. It is against this background that the Government felt that it would be right to give the National Insurance Advisory Committee the opportunity of considering the matter once again.

Another point which has been made -and this must be borne in mind-is that to introduce a change now in the limit as suggested by the Clause would prejudice the review by the Advisory Committee.

Mr. Braine: I am listening carefully to the hon. Gentleman's patient explanation. Over a year ago, the Chancellor of the Duchy of Lancaster said that the normal reason for relaxing the rule was to keep it in harmony with the general level of wages. There has never been any dispute about this on either side. Is the hon. Gentleman seized of the fact that since the rule was last relaxed early in 1964, average wages have risen so much that the rule is now totally out of harmony? In other words, the question did not have to be sent to any advisory body for advice. It is now clear that the earnings rule is totally out of harmony with present-day realities.

Mr. Pentland: That may be so. That is what we want to find out from the Advisory Committee. I have already said that the terms of reference are wide enough to include consideration abolition of the earnings rule. Therefore, my view is that if the Clause were accepted, it would prejudice the review.

If the National Insurance Advisory Committee in due course reported in of an favour increase in existing limit, such an increase could be brought in by Regulations, which would be subject to the affirmative procedure. Of course that can be done. I hope that in view of what I have said. the Opposition will withdraw the Clause. If not, I must ask the Committee to to reject it.

Dame Irene Ward: How long does the Joint Parliamentary Secretary think that the Advisory Committee will be sitting clucking over this question?

Mr. Pentland: We do not know that, any more than the previous Government knew when these matters were referred to the N.I.A.C.

Dame Irene Ward: How often does the Committee sit?

Sir K. Joseph: We have a certain amount of goodwill for the Joint Parliamentary Secretary, and we are at the end of nearly two days of debate, but I must tell him that his was a shockingly disappointing reply. My hon. Friend the Member for Somerset, North (Mr. Dean) deployed a formidable case. He was supported by a number of other hon. Members who spoke cogently and trenchantly. We had from the hon. Gentleman a flabby and inadequate reply.

Here is a small piece of good which the right hon. Lady can approve and which would cost a negligible amount of money in terms of the National Insurance Fund. It has not been controverted that the cost of the Clause would be £350,000 per annum. As my hon. Friend the Member for Essex. South-East (Mr. Braine) has stressed, the £5 is totally out of step with the new average earnings, and all that the hon. Gentleman can do is to tell us to wait for a report. Granted that a report may make sense on the subject, but here is a step that would be sensible and humane, and it would facilitate that gradual retirement which all sides of the House agree is the right emphasis for us to help the elderly to adopt. I hope that, in view of that very inadequate reply, my hon. Friends will divide on the Clause.

Committee

Question put, That the Clause be read a Second time:-

The Committee divided: Ayes 95, Noes 100.

#### Division No. 31.1

Alison, Michael (Barkston Ash) Allason, James (Hemel Hempstead) Amery, Rt. Hn. Julian Batsford, Brian Bennett, Sir Frederic (Torquay) Bessell, Peter Black, Sir Cyril Blaker, Peter Boyd-Carpenter, Rt. Hn. J. Braine, Bernard Brinton, Sir Tatton Brown, Sir Edward (Bath) Bryan, Paul Bullus, Sir Eric Burden, F. A. Buxton, Ronald Clark, Henry (Antrim, N.) Clark, William (Nottingham, 8.) Cooke, Robert Craddock, Sir Beresford (Speltherne) Curran, Charles Davies, Dr. Wyndham (Perry Barr) Dean, Paul Deedes, Rt. Hn. W. F. Doughty, Charles Eden, Sir John Elliott, R. W.(N'c'tle-upon-Tyne,N.) Eyre, Reginald Fletcher-Cooke, Charles (Darwen) Fraser, Ian (Plymouth, Sutton) Glover, Sir Douglas Goodhew, Victor Grant, Anthony

#### AYES

Grant-Ferris, R. Grieve, Percy Griffiths, Peter (Smethwick) Grimond, Rt. Hn. J. Gurden, Harold Harrison, Brian (Maldon) Harvey, John (Walthamstow, E.) Hastings, Stephen Hawkins, Paul Hobson, Rt. Hn. Sir John Hordern, Peter Hornsby-Smith, Rt. Hn. Dame P. Irvine, Bryant Godman (Rye) Johnston, Russell (Inverness) Jones, Dan (Burnley) Joseph, Rt. Hn. Sir Keith Kilfedder, James A. King, Evelyn (Dorset, S.) Kirk, Peter Legge-Bourke, Sir Harry Lewis, Kenneth (Rutland) Lubbock, Eric McAdden, Sir Stephen MacArthur, Ian Mackenzie, Alasdair (Ross&Crom'ty) Mitchell, David Monro, Hector More, Jaspe Mott-Radelyffe, Sir Charles Murton, Oscar Noble, Rt. Hn. Michael Onslow, Cranley Page, R. Graham (Croshy)

#### [8.12 p.m.

Peel, John Prior, J. M. L. Pym, Francis Quennell, Miss J. M. Renton, Rt. Hn. Sir David Scott-Hopkins, James Sharples, Richard Shepherd, William Sinclair, Sir George Spearman, Sir Alexander Steel, David (Roxburgh) Studholme, Sir Henry Summers, Sir Spencer Taylor, Sir Charles (Eastbourne) Taylor, Frank (Moss Side) Teeling, Sir William
Thompson, Sir Richard (Croydon, S.) Thorpe, Jeremy Tiley, Arthur (Bradford, W.) Turton, Rt. Hn. R. H. van Straubenzee, W. R. Ward, Dame Irene Weatherill, Bernard Webster, David Whiteaw, William Wilson, Geoffrey (Truro) Wolrige-Gordon, Patrick Woodhouse, Hn. Christopher Younger, Hn. George

TELLERS FOR THE AYES: Mr. McLaren and Mr. Dudley Smith

#### NOES

Allen, Scholefield (Crewe) Atkinson, Norman Bacon, Rt. Hn. Alice Benn, Rt. Hn. Anthony Wedgwood Bishop, E. S. Blenkinson, Arthur Boston, Terence Corbet, Mrs. Freda Bowden, Rt. Hn. H. W. (Leics S.W.) Cousins, Rt. Hn. Frank Bray, Dr. Jeremy Brown, Hugh D. (Glasgow, Provan) Brown, R. W. (Shoreditch & Fbury)

Buchan, Norman (Renfrewshire, W.) Butler, Herbert (Hackney, C.) Carter-Jones, Lewis Castle, Rt. Hn. Barbara Chapman, Donald Conlan, Bernard Crossman, Rt. Hn. R. H. S. Darling, George

Davies, Harold (Leek)

Dell, Edmund Diamond, Rt. Hn. John Edwards, Robert (Bilston) Fletcher, Raymond (Ilkeston) Floud, Bernard Foot, Sir Dingle (Ipswich) Fraser, Rt. Hn. Tom (Hamilton) Freeson, Reginald Grey, Charles Griffiths, Rt. Hn. James (Lianelly) Hamilton, James (Bothwell)

Hamilton, William (West Fife) Hamling, William (Woolwich, W.) Hannan, William Hart, Mrs. Judith Hazell, Bert Herbison, Rt. Hn. Margaret Hobden, Dennis (Brighton, K'town) Holman, Percy Howarth, Harry (Wellingborough) Howell, Denis (Small Heath) Howie, W. Hoy, James Hughes, Hector (Aberdeen, N.) Hunter, Adam (Dunfermline) Hunter, A. E. (Feltham) Hynd, H. (Accrington) Hynd, John (Attercliffe) Johnson, Carol (Lewisham, S.) Kelley, Richard Kerr, Mrs. Anne (R'ter & Chatham) Lawson, George MacDermot, Niall McInnes, James

McLeavy, Frank Manuel, Archie Mason, Roy Mendelson, J. J. Mikardo, Jan Miller, Dr. M. S. Molloy, William Monslow, Walter Morris, Charles (Openshaw) Murray, Albert Newens, Stan Noel-Baker, Rt. Hn. Philip (Derby, S.) Norwood, Christopher Ogden, Eric O'Malley, Brian Oram, Albert E. (E. Ham,S.) Orme, Stanley Page, Derek (King's Lynn) Palmer, Arthur Park, Trevor (Derbyshire, S.E.) Parker, John Peart, Rt. Hn. Fred Pentland, Norman

Prentice, R. E. Pursey, Cmdr. Harry Redhead, Edward Reynolds, G. W. Robinson, Rt. Hn.K.(St. Pancras, N.) Ross, Rt. Hn. William Short, Rt. Hn. E. (N'c'tle-on-Tyne, C.) Silkin, John (Deptford) Skeffington, Arthur Slater, Joseph (Sedgefield) Small, William Soskice, Rt. Hn. Sir Frank Stones, William Tomney, Frank Wainwright, Edwin Wallace, George Warbey, William Weitzman, Ezvid White, Mrs. Eirene Willis, George (Edinburgh, E.) Zilliacus, K.

TELLERS FOR THE NOES: Mr. Hor Davies and Mr. Harper.

Schedules agreed to.

Bill reported, without Amendment.

8.22 p.m.

Miss Herbison: I beg to move, That the Bill be now read the Third time.

I think that it is almost wonderful that a Bill of this nature, bringing in a completely new concept for one part of National Insurance, has got through the House so quickly, and I thank hon. Members on both sides for ensuring that we got it as quickly as possible.

I should like to thank you, Mr. Deputy Speaker, and your colleagues, who had to sit through these highly technical debates. I think, too, that the officials of my Department who have had to work at almost top speed should be congratulated and thanked for the work which they have done on the Bill.

I think that that is all that needs to be said at this stage, and I hope that the Bill will be given a Third Reading. 8.23 p.m.

Sir K. Joseph: We on this side of the House join the Minister in thanking you, Mr. Deputy Speaker, and your fellow Chairmen for keeping us in order during these two days.

We also join the Minister in the tribute which she paid to her officials for drawing up the Bill, though we suggest that but for her majority we would have amended it in parts. We are glad to have played our part in expediting a Measure whose basic principle is common to both sides of the House, and we hope that it may speedily reach the Statute Book.

Question put and agreed to.

Bill accordingly read the Third time and passed.

# UNIVERSITIES (SCOTLAND) BILL

Order read for resuming adjourned debate on Amendment proposed [14th February] on Consideration of the Bill, as amended (In the Standing Committee.)

#### Clause 8.—(Powers of Senates.)

Which Amendment was: In page 5, line 34, at the end, to insert:

"(3) It shall be the duty of the Senatus Academicus to prescribe the extent and procedure of their disciplinary powers, a copy of which shall be laid before the Secretary of State for Scotland."

Question again proposed, That those words be there inserted in the Bill.

8.24 p.m.

1629

Mr. Norman Buchan (Renfrew, West): As I was saying before I was interrupted, I feel that one should prefer the Amendment put forward in the name of my hon. Friend the Member for Glasgow, Maryhill (Mr. Hannan) because it brings in the Secretary of State, and one of our tasks at the moment is to restore public confidence in the immediate issue which forms the background of the discussions.

It is unfortunate that my hon. Friend the Member for Glasgow, Shettleston (Sir M. Galpern) is not present, because some of the things that I have to say this evening are intended to clear up some of the inaccuracies in his speech. My hon. Friend said that no one had criticised the procedure that had taken place on the Glasgow issue. The fact is that there has been continuous criticism by the people involved, by outside bodies, by some university bodies, and by the agents of the people represented, at almost all stages of the procedure.

The basic point is that the principles of national justice tended not to be followed. For example, they were not avare of the charges made at the time of the first hearing. There was the difficulty of obtaining extracts of the evidence on which they could lodge their appeals. Indeed they still have not got this fully so that the agents of the men involved can challenge the procedure. The rehearing was stated to be *de novo* when it was not, because to a great extent it was based on the initial inquiry, at which, from the evidence, it appears that they were told there was no need to answer questions if they did not wish to, and

finally the evidence of the main witness throughout has been seen to be unreliable.

Secondly, my hon. Friend referred to the boys involved as being guilty. This is a matter which is disputed. Thirdly my hon. Friend referred them being guilty of grave misdemeanours. has never been the situation. This The boys about whom we are talking, particularly the three in my constituency, if guilty of anything, are guilty of the sin of partial omission, not the sin of commission. Fourthly, we were told that in our anxiety to get justice done we were forgetting the victim of the case.

I found that a most extraordinary proposition. We do not show sympathy for the victim in a murder case by hanging the wrong person. The curious factor here is that the person who appears most guilty has been punished least, while those who appear to be the most innocent, have been punished most.

The victim involved has tended to exculpate most of the boys still involved on most points and therefore if there was any sin, it was a sin of partial omission, and if injustice had not taken place, it would only be an accident that it has not and this is what we still have to clarify.

The court of inquiry, having said that there was no need to answer questions, nevertheless eventually levelled charges against the boys precisely because they had not posed the question sharply enough to their colleagues.

It is a pity therefore that this whole question was reopened in this way. Nevertheless, I do not think that this helps to excuse the violence of language which has been used on the other side in this case, and my hon. Friend the Member for West Lothian (Mr. Dalyell) knows my feelings on this one. This also has not helped us to clarify the situation.

I would have preferred at that point the natural moves taking place within the university to clear up the situation. It could have been allowed to continue in a more tranquil atmosphere instead of creating a naturally defensive attitude which has in itself sharpened the situation and made things more difficult. It pushed people into an over-defensive position, which we can understand, but it created a more difficult situation.

[Mr. Buchan.]

1631

I also regret the relatively grudging way in which the reprimand was finally removed from the boy Marr. I am having discussions in connection with the three outstanding cases with which I am concerned, and I would prefer to leave the position as it is in respect of those cases.

The purpose of the Amendment is to try to find a solution for the future, and to protect not only the students but the universities. It was undoubtedly their over-anxiety to protect their good name that tended to cause the matter to boomerang. It is that attitude of overanxiety with which we must sympathise and understand. I hope that the universities will decide to have a full public inquiry in Glasgow in order to clear the air. The General Council is the obvious body to carry out this inquiry, for the sake not only of the people involved but of the university. If an inquiry is not carried out the parents may be forced to take other action, for example, in the court of session, which I would regret.

8.30 p.m.

Good may still come out of this. It is clear that relationships between the Senate and the S.R.C. were not of the best, but I understand that an informal meeting is taking place tonight between the students and senior members of the staff to discuss the position and to see what recommendations and ideas come forward to create the right atmosphere in which confidence can be restored. We all hope that these discussions will succeed.

Because of the public aspect of the matter I would prefer the Amendment of my hon. Friend the Member for Maryhill, because it would bring these questions before the Secretary of State, but either Amendment would help the situation. There is one practical point of legal procedure. It might be advisable -not that I believe that it will frequently be necessary—to establish a common court of appeal for Scottish universities. It could consist of four members of the Bench-Scottish judges who are themselves members of the general councils of the four Scottish universities. It would rarely, if ever, be needed, but its existence as a safeguard would help to restore the necessary confidence.

It has been said that those of up who have been worried about the present situation have been careless about the reputation of Glasgow University. The hon. Member for Glasgow, Cathcart (Mr. Edward M. Taylor) said that he was a Glasgow graduate and was proud of it. I, too, am a Glasgow graduate and am proud of it; but this is not the important thing. The real question is whether the university will be proud of us as a result of the decisions we take and attitude that we adopt to this kind of question. The university is great enough to bear criticism. I hope that it will be great enough to institute a public inquiry, with the help of the General Council, to ensure that justice has been done, and, if it is seen not to have been done, to rectify the situation openly and publicly.

Bill

Mr. Tam Dalyell (West Lothian): I wish to comment in a few sentences on the Glasgow students' affair, to the extent that it is related to the Amendment. First, however, I want to refer to the powerful and very worthwhile saying speech of my hon. Friend the Member for Renfrew, West (Mr. Buchan). Even at this stage I can in no sense regret the strength of language that I used in this Chamber on 25th January. On that occasion, it was really as a last resort that I brought the matter to a head.

I had known about this matter since July, in a rather blurred form. It never occurred to me but that the appeal committee would clear the matter up. I had been reluctant to discuss the question in public, for the reasons put forward by my hon. Friend, namely, that I did not want to make a public issue of this kind about the university unless it really was necessary.

Here, I return to the letter that I wrote to the Secretary of State in early January. He is present, and he will remember that in early January, after the announcement of the appeal committee was made, I wrote to him a letter in the most moderate terms asking for information. I realise that he could not give all the information that I asked for, but I cannot believe that, in the nicest way, he could not have asked the university to provide this information. The university was given every opportunity to come forward with a full answer before the time was

reached when too much harm had been done.

I have a suspicion that this case is not unique. Since early January I have had a fairly wide correspondence. Some of it goes back as far as the 1940s. One letter, asking that old wounds be not reopened, which is now in the hands of my hon. Friend the Member for Glasgow, Shettleston (Sir M. Galpern), whose absence tonight we regret, tells of a man, now 75, whose only daughter was sent down from Glasgow University in the most drastic way. I know not the rights and wrongs of this particular case, but it is clear that, even at that time, there was a great absence of pastoral care and that this young lady-who subsequently emigrated because of the circumstances of the case—was treated in a cold, cold manner by some of those who are still on the scene.

Glasgow University must realise that justice knows no halfway house. Justice, by its very nature, must be complete. If it is not complete, it is not justice. Of the five students who remain, some may or may not be guilty. I do not intend on the Amendment to go into my own personal views. They are of little consequence here, because some of the students themselves, I gather, are deciding to go to the high court and the case will soon be sub judice. However as one party told me, they would much rather have an inquiry. I certainly do not fancy the idea of a university spending a year or two in the Court of Session. I would personally be much happier about an inquiry.

One understands, too, that the university has already spent something of a fortune from public funds in obtaining legal advice. Therefore, for these reasons, would it not be much better to have some kind of inquiry? The situation at the moment is that one student has got off. I wonder whether it is a coincidence that this was the student who had access to high-powered legal advice. He had senior counsel, junior counsel and, in the person of the Rev. Andrew Herron, a most conscientious and able solicitor. For the others, the stigma remains. If some of them had had the same legal advice, might not they, too, have been exonerated?

One may ask, what is all the fuss? I can only put it in the words of the wife

of one of the students. She turned round towards her four-and-a-half-month-old baby girl and said, "Is she to grow up being told that her daddy was banned from Glasgow University?" This may be an extreme way of putting it, but this, in human terms, is the situation. This is why, tonight, I am asking for some kind of inquiry. I believe that it should not be a Governmental inquiry, but it is sensible to ask the Government-

Rill

Mr. Deputy Speaker: I do not think that any question of an inquiry arises on the Amendment.

Mr. Dalyell: In case I give a false impression, I would say that, if there is to be an inquiry, I hope that the Government will invite, perhaps, the University Grants Commission to conduct it.

Appreciating your Ruling, on this issue, Mr. Deputy Speaker, perhaps I should say no more except that, fortunately or unfortunately, this is no longer a purely Glasgow matter. Perhaps the importance of the Amendment is that this situation has now become something of an issue not only in our Scottish universities but throughout Britain. To build for the future, along the lines of the Amendment, it is necessary, in my view, to create the foundations by clearing up the past.

Mr. David Steel (Roxburgh, Selkirk and Peebles): I do not wish to follow the hon. Member for West Lothian (Mr. Dalyell) into a discussion of the Glasgow case. I wish to discuss the Amendment in general. There are several questions which I hope the Under-Secretary will answer.

The hon. Lady said in Committee that the Privy Council was at present considering the whole question of the powers of universities over students in disciplinary matters. This would appear to go some way towards answering the point the hon. Member for West Lothian was making, although it does not deal with the case he had in mind. However, it is a step to be welcomed.

There are differences between Amendment No. 60 and the Amendment to Clause 8. I was glad that the Under-Secretary said when we discussed this on Monday that she does not regard her proposal as a fixed or rigid Amendment; that it is not the end of the question, that discussions are going on, and that if [MR. STEEL.]

1635

any improvement can be considered the Government are willing to consider the matter in another place.

Having said that, I come to the differences between the Amendments. The Amendment to Clause 8 suggest that a copy of the agreed procedure should be laid before the Secretary of State for Scotland. This is an important point, because while it does not in any way suggest that the Secretary of State should alter or have any say in what that procedure should be, it would bring home to the universities the fact that the relationship between students and universities has changed from what it was some years ago. Most students attending universities are there at the taxpayers' expense.

Therefore, the Government have the right to be concerned in some way with what procedures may be used to send down a student who is there at public expense—to bring to an end a £600 investment in a student's future which has, say, another year to run. That is why I welcome the suggestion in the Amendment to Clause 8 that these procedures should not simply be confined within the universities, but that they should be laid before the Secretary of State.

The other point of difference between the two Amendments is that the Under-Secretary's Amendment specifically refers

". . . alleged breaches of discipline within the University . . .

I would like clarification of those words because there have been cases-and there may be cases in the future-where a university has decided to expel or rusticate a student not for a breach of discipline within the university, but for a criminal act outside which has already been punished in the normal way in the criminal courts-that is, if it was an offence of a type which the university thought brought discredit and adverse publicity to the university. Amendment No. 60 therefore seems too narrowly drawn, because it includes the phrase "within the university".

I am inclined to agree with the hon. Member for Glasgow, Cathcart (Mr. Edward M. Taylor), who referred, when we last considered this matter, to the phrase

where the . . . breach . . . might be punishable by expulsion or rustication".

Bill

I see no harm in the whole procedure for discipline, even if it does not involve expulsion or rustication, being drawn up and known by all concerned. I am referring to even minor breaches of discipline, even if it would mean, say, a lecturer or director of studies having minor disciplinary powers, because that would not seriously affect a student's career. I do not see why this should not also be included in the recommended procedures which should be made known not only to the university, students and staff, but also to the Secretary of State.

8.45 p.m.

Mr. Ian MacArthur (Perth and East Perthshire): The House may recall that on Monday my hon, and learned Friend the Member for Edinburgh. Pentlands (Mr. Wylie) indicated that we would support Amendment No. 60, standing in the name of the hon. Lady the Under-Secretary of State. In this debate there is, as it were, a choice of Amendment, but we think that her Amendment strikes just about the right balance in the disciplinary matter which concerns us.

I do not believe that this Bill is a suitable vehicle for a detailed code of procedure in alleged breaches of discipline, but where there is need to improve the disciplinary procedure within the university I think that the House has made it abundantly clear that the need must be met. I believe that Amendment No. 60 is the right way to meet it.

I recognise at once that the hon. Member for Renfrew, West (Mr. Buchan) has had a deep and sincere constituency interest in the Glasgow University affair, but I agree with the hon. Lady's view that we might now leave that unhappy incident. Perhaps, in doing so, it would be the wish of hon. Members, in view of all that has been said, to record our respect for that great university, and for its Principal, who is a man of the highest standing in the academic and national life of Scotland.

The hon. Lady told us on Monday that she proposes to have further discussions with the four ancient universities, and that if it is found right to amend or extend the terms of the Amendment, that will be done by further amendment in

another place, with opportunity for further debate, if necessary. During the course of that review the Under-Secretary might look again at the wording towards the end of the Amendment referring to the case in which the alleged breach

"... is one which might be punishable by expulsion or rustication".

That is rather indefinite. An alleged breach will be one that clearly is or is not punishable by expulsion or rustication, or will be at least one which clearly is or is not capable of punishment by expulsion or rustication. I would be better pleased if the Amendment were more definite on this point.

Subject to that relatively small point about the nature of the wording towards the end of Amendment No. 60, and subject also to the assurance the hon. Lady has given of further consideration, I hope that the House will support the Amendment standing in her name.

The Under-Secretary of State for Scotland (Mrs. Judith Hart): Perhaps I may deal first, with one or two detailed points. We will certainly like to have the chance to look a little further at the precise words of our Amendment. As I explained on Monday, we had only had two or three days from start to finish to consider it. We shall certainly look at the two points, raised in the one case by the hon. Member for Roxburgh, Selkirk and Peebles (Mr. David Steel) and in the other by the hon. Member for Perth and East Perthshire (Mr. MacArthur). I think that the hon. Member for Roxburgh, Selkirk and Peebles is quite right in what he says about the words "within the University" It may be that, in the end, we will find this the correct thing to say, but the point is worth looking at.

On the point about the words "which might be punishable", I would say to the hon. Member for Perth and East Perthshire that we certainly intend to look at them again, but these were words which, in particular, we looked at very closely with the draftsmen, who were very clear at that point that they were the best words to use. However, when we have completed our consideration of these words, I shall, if I may, have a discussion with my hon. Friends and with all those who have been concerned with this matter and let them know our advisers' final view on the drafting.

Turning to one or two of the more general points which have been raised, as I have said throughout discussion on this Bill both in Committee and on Monday evening in the House, I do not propose myself to make any comment on the particular affair at Glasgow University, because I do not think it right that my right hon. Friend or I should make such comments. This matter has caused a great deal of distress to a great many people in Glasgow, not least to those who are concerned with trying to arrive at justice and to the people who have been, as it were, the plaintiffs in the case. It has caused a great deal of distress and I fear that it is clear from what has been said that it is likely to continue to do so.

Bill

But it is a matter for the court, for the senate, and for the General Council of Glasgow University. There can be no question whatsoever of my right hon. Friend or the Privy Council holding any kind of inquiry into this affair at Glasgow University. It is a matter for the university to find its own answer to the problems which face it.

I come to discuss the Amendment on the more general points which have been made. They come down to this, as between the Government Amendment and the Amendment in the name of my hon. Friend the Member for Glasgow, Maryhill (Mr. Hannan), the points between us lie in particular on whether there should be a duty or a power. There has been some discussion of whether my right hon. Friend should be, or indeed could be, brought into the picture at any point. Because of something that has been said, there is the question whether there ought to be an ordinance or a resolution.

It was quite clear to us when we were framing our Amendment that we had a range of choice as between imposing a duty or giving a power to a university to frame its procedures and between doing this by orders or by resolution. I wish to sketch in the arguments for and against to indicate to the House why we came to the view, as we did, that it should be a power and that it should be provided by Resolution procedure because in their turn these dictate whether or not the Secretary of State, either himself or in his capacity as a member of the Privy Council, is involved. They also dictate the answers to one or two of the other questions.

I am quite clear-I think most of us are—that in view of the very generous assurances given to us by the four universities which we are considering in this Bill-it is a point to remember that we are considering only four of the Scottish universities in the Bill and we are grateful for their generous assurancethat they intend to review their own procedures. I have not the slightest grain of doubt that, having said that, they will do it. Of course they will. There can be no doubt about this. It would be a gratuitous insult to impose a duty rather than to give them a power in view of the assurances they have given.

Therefore, it becomes a power rather than a duty. That is what is in my Amendment as against the words, "It shall be the duty" in the Amendment by my hon. Friend. I hope that my explanation of why my right hon. Friend came to the view that a power was all that was needed in this case will be acceptable to my hon. Friend the Member for Maryhill. It is because of the very generous assurances we have been given by each of the four universities, including Glasgow.

I come now to the question of the choice between ordinance and resolution. If the ordinance procedure were adopted, as with every ordinance an ordinance in this case would have to come before the Privy Council, of which my right hon. Friend is a member, so to that extent he would see it. A resolution could not come before my right hon. Friend, because there is no need for a university to bring its resolutions to the attention of the Privy Council.

However, the strong argument at the end of the day against the ordinance procedure was that an ordinance would necessarily be framed in the most general terms. I think that I have quoted, either in the House or in Standing Committee, the letter written by my right hon. Friend the Secreary of State for Education and Science to the National Union of Students on certain matters, including the question of discipline. In that letter my right hon. Friend referred, in particular, to the "provision which is being made in the interests of students in the draft Charters"

in some of the institutions of higher education at the moment. My right hon. Friend said that the Privy Council was putting to the sponsors of the Charters "the desirability of making" a provision

"whereby a procedure will be laid down for a right on the part of a student suspended or expelled to be formally heard by the Senate or by a body appointed by the Senate before the decision becomes final."

This indicates the kind of generality with which, and only with which, the Privy Council could be concerned. The Privy Council could not be concerned with an ordinance spelling out in very great detail the kind of procedures that a university may wish to lay down.

What most of us are concerned about is that, to satisfy natural justice, most of the universities will wish to go in some detail into the way in which they work out their disciplinary procedures. Therefore, one is faced with the choice between detail, which is what seems to be desired by most hon. Members, and the generality which would be seen by my right hon. Friend as a member of the Privy Council.

Faced with this choice, it was right to have opted for the resolution procedure and the possibility it gives of greater detail. An additional advantage that it offers is that an ordinance, once approved by the Privy Council and once having received Her Majesty's approval, cannot easily be amended. On this kind of matter it will be, I would suppose, of considerable importance that, in the light of experience, a university should be able to change a few words here and there to improve the procedure it has worked out. One would wish to give the university the freedom to do so. I think that this can be given only by the resolution procedure.

This and the other reasons I have given are good reasons. This is why we have chosen to table an Amendment which gives a power rather than imposes a duty and which relates to the resolution procedure rather than to the ordinance procedure. I must make it quite plain that, unless it were to be the ordinance procedure, there could be no question of anything being laid before my right hon. Friend the Secretary of State.

There is one further general point which was raised by the hon. Member for Roxburgh, Selkirk and Peebles (Mr. David Steel). He was concerned about the all-embracing nature of my hon. Friend's Amendment, which he preferred, compared with the Government's more

restrictive one which attemps to distinguish between cases involving expulsion or rustication and less serious offences.

The hon. Gentleman was anxious that all breaches of discipline should be covered. I must tell the hon. Gentleman that I do not agree with him; nor, I think, would most of those who regard it as of some importance that the kind of relationship should exist between university staffs and their students that most of us want to see. If whatever procedure is to be devised were to be extended to all offences, one would totally inhibit any possibility that the most minor offence could be dealt with by the principal or a professor simply calling a student into his room to discuss something with him. One could not lay down in a procedure that, for such-and-such an offence, a student shall go and have a chat with the head of his department. This being so, one must distinguish-

Mr. David Steel: I said that I saw no reason why a statement that minor breaches of discipline could be dealt with at the discretion of heads of departments should not be included. But I do not think that it is a major point.

Mr. Hart: I think that the point will be covered by the kind of resolution which the universities adopt.

9.0 p.m.

I do not think that we expected that, during our discussions on the Bill, we should have to give our minds to such weighty and difficult considerations as have been brought in by what recently happened in Glasgow. I put it to the House that, by adopting Government Amendment No. 60, we shall be laying the groundwork for the future and ensuring that there need never be in future anxiety of the sort which has centred on recent events. This will be for the greater good of all students and all the universities. I think that the universities themselves are the first to recognise this and they welcome an Amendment of this kind.

Mr. William Hannan (Glasgow, Maryhill): The House will recognise that our Amendment No. 58 and the Government Amendment No. 60 are almost identical in their terms, with the important exception to which the hon. Member for Perth and East Perthshire (Mr. MacArthur) drew attention, that is, the three words which he suggested might be excluded. With that proposition I agree. I had intended to make the same suggestion, so that the Amendment would read in its concluding words:

Bill

"where the alleged breach is one punishable by expulsion or rustication".

Nevertheless, when one looks again at that proposition, we seem to be back to the same position as gave rise to The words trouble.

"where the alleged breach is one punishable by expulsion'

suggest that we shall be doing the very thing which my hon. Friend said in Committee we ought not to do, that is, approaching the problem by defining the circumstances or charges in respect of which universities could exercise discipline or approaching it by defining the procedures by which universities could exercise discipline.

I agree with my hon. Friend in the latter part, that we should try to define the procedures by which the universities should exercise discipline, but, if we exclude those three words, there is a slight danger that we shall be asking the senate to list a certain number of offences which would merit expulsion or rustication, as compared with others which would not. Proof is the big thing. I do not consider that the universities have any right to exercise their discipline until the normal processes of the courts have been gone through. This is the kernel of the problem. I do not envy my right hon. Friend and my hon. Friend the Under-Secretary of State or, for that matter, the universities in tackling it. But, if justice is to be seen to be done, this is the essence of the question to which attention must be directed.

I have said that I regard both Amendments as similar and, recognising this, I am quite willing, in the light of what my hon. Friend has said, to give way to her in my judgment on this matter because of the additional information which she will have. Therefore, I shall wish to withdraw the Amendment which I put down for the reasons I adduced on Monday. I am aware of the rather circumscribed timetable and I shall not go over the arguments again. My hon. Friend has made it clear that she does not propose to depart from the processes in the Bill. The Secretary of State is not to

[Mr. HANNAN.] take power unto himself in respect of this matter but is to give the power to the university courts, as was the case in the past.

This theme has run throughout our discussions of the Bill and there is a keen difference of view that will not be resolved by pressing my Amendment. I take the view that the Bill is wrong in this respect and that my right hon. Friend should have taken some powers. On the contrary, he is giving some up. My hon. Friend said that there would be advantage in having further discussion on the subject with the universities. I assume that such discussion will take place. But what I have been saying was borne out by her sentence during our discussion on Monday. She said:

"We know that the principals are content with the form this proposal takes . . .

Of course they will be. The real question is whether they will exercise this power. We may have an assurance from my hon. Friend, but the principals have had other powers in the past that they have not exercised.

My hon. Friend went on:

"If, following that, it seems desirable to amend or extend the provision we are making in the Bill we should have the opportunity to put down any necessary Amendments in another place . . . I make clear that it is right only to give a power to the universities rather than to impose on them a duty because of our knowledge of their intentions."-[OFFICIAL REPORT, 14th February, 1966; Vol. 724, c. 1045.]

The universities already have power to do certain things, including a power with regard to St. Andrews dating as far back as 1924. But nothing has been done and the matter is now being put right in the Bill. The question is, therefore, whether the universities will exercise their powers. As my right hon. Friend said, dealing with another aspect in Committee, it is a matter of good faith.

I shall not press the Amendment to a Division. I have taken the opportunity to reiterate some doubts that I have, but in view of the strong argument—and I commend my hon. Friend for her reply -I beg to ask leave to withdraw the Amendment.

Amendment, by leave, withdrawn.

Clause 12.—(ANNUAL REPORTS AND FINANCIAL STATEMENTS.)

Bill

Mr. Hannan: I beg to move Amendment No. 44, in page 6, line 33 after "before" to insert:

"the Secretary of State and".

This is similar to an Amendment I moved in Committee. Its purpose is that a copy of the financial report which each university must provide for the General Council should also go to the Secretary of State. We are losing the present provision whereby the annual reports went to the Secretary of State, so it is but little to ask that copies of the financial reports should be provided to him.

Mrs. Hart: My hon. Friend the Member for Glasgow, Maryhill (Mr. Hannan) will know by now, following the very full discussion of this subject in Committee-in the first place, nobody knows better than he-that Section 30 of the 1889 Act was never fulfilled. It was on this issue that he almost had the head of the former Secretary of State on a charger. But having drawn our attention to that, I think that he has accepted, as most hon. Members have accepted, that it would be wrong, especially as we are moving forward to a day when all the universities are likely to have charters, to distinguish between the four older universities and the others in Scotland in terms of their relationship with my right hon. Friend.

What is required is that hon. Members should find it a little easier to have the kind of information which many of them wish to have in their consideration of matters of higher education and of universities in general. Most of the hon. Members who were members of the Committee have had a letter-all are supposed to have had it and if I have omitted anybody, I apologise—to explain exactly what we have done about this. We have compiled a very long list of the sources of information which are relevant in this respect and which any hon. Member is free to have from me if he wishes. It amounts to consulting a small number of sources such as the University Central Council on Admissions, the U.G.C. Report and the calendars and reports of the Scottish universities themselves.

My hon. Friend is asking that the four older universities should lay before my

right hon. Friend a copy of their reports and accounts. I can tell him that we have done a great deal better than that for him, because, by courtesy of the four older universities and the newer universities, we have arranged that all Scottish Members will receive a copy of the annual reports and financial statements which the older universities are required to circulate to their general councils under Clause 12 and which the newer universities are compelled to circulate to their convocations under the terms of their charters. I trust that, having now been given the kind of information himself which he was asking should be provided to my right hon. Friend, my hon. Friend will rest content on the basis of his great achievement in connection with Section

Mr. MacArthur: The hon. Lady may remember that in Committee we expressed a certain sympathy with the Amendment which the hon. Member for Glasgow, Maryhill (Mr. Hannan) then moved, for the very good reason that we were anxious that hon. Members should have access to necessary and relevant information about the progress of universities in Scotland.

I am sure that I speak for all those hon. Members who were members of the Scottish Standing Committee on the Bill in thanking the hon. Lady for her courtesy in writing to us as she did and listing the material which she proposes to make available. I am grateful to her, as I am sure all hon. Members are, for proposing to arrange for the reports, which older universities are required to prepare under Clause 12 and which the newer universities are required to circulate under the terms of their charters, to be made available. This will be very welcome and helpful.

It was also good of her to say that she proposed to compile a list of references. I question whether that is strictly necessary. As I said in Committee, by doing a relatively small amount of devilling, hon. Members could dig out this information for themselves. It is surprising how much information there is in the Library if one spends a few minutes looking for it. However, I do not want to be obstructionist and it is very good of the hon. Lady to go to the trouble and I am sure that hon.

Members would wish to thank her for her courtesy.

Mr. Hannan: I should like to thank my hon. Friend for the care and attention which she gave to this Amendment upstairs. Her remarks were very helpful and she has rightly said that it will serve a useful purpose to bring all the details of the universities together.

I beg to ask leave to withdraw the Amendment.

Amendment, by leave, withdrawn.

9.15 p.m.

Mrs. Hart: I beg to move Amendment No. 45, in page 6, line 38 at the end to insert:

- (2) No person shall be qualified to be appointed as an auditor under this section unless he is a member of one or more of the following bodies:—
  - (a) the Institute of Chartered Accountants of Scotland;
  - (b) the Institute of Chartered Accountants in England and Wales;
  - (c) the Institute of Chartered Accountants in Ireland;
  - (d) the Association of Certified and Corporate Accountants:
  - (e) any other body of accountants established in the United Kingdom and for the time being recognised for the purposes of section 161(1)(a) of the Companies Act 1948 by the Board of Trade;

but a Scottish firm may be so appointed if each of the partners thereof is qualified to be so appointed.

(3) No person shall be qualified to be appointed as an auditor under this section who is, or any member of whose firm is, a member of the University Court or of the staff of the University concerned.

This is a somewhat technical Amendment about which I can be very brief. Its effect is to prescribe the qualifications of the auditors appointed under subsection (b) of the Clause. It has become the standard practice in recent legislation—for example in the Teaching Council (Scotland) Act, and in the Airports Authority Act, 1965—that when provision is made for the appointment of an auditor, there is also included a provision as to his professional qualification. For example, the charters of Strathclyde and Heriot-Watt contain an equivalent provision.

The wording of the Amendment is in standard form. The same words are contained in the Teaching Council (Scotland) Act. Subsection (3) came from the

[MRS. HART.]

Heriot-Watt Charter as an addition. It will be for the convenience of the House if I move the Amendment formally since I suppose that it will be generally accepted.

Mr. MacArthur: I do not want to detain the Committee on this point, but I should like to ask one question. I am sure that the Committee would wish to see this Amendment go through as it meets a real need. But I understand that there is one question of doubt about the order in which the various bodies appear in the Amendment. I have not checked this with the Teaching Council Act to which the hon. Lady referred, but I understand that in other Acts there is often a slight difference in that the Association of Certified and Corporate Accountants appears before the Institute of Chartered Accountants in Ireland. I gather that this may cause offence in that the Association of Certified and Corporate Accountants was recognised in 1933 whereas the Institute of Chartered Accountants in Ireland was not recognised until after the last war. It is a small point but perhaps the hon. Lady will look at it.

Mrs. Hart: Yes, I will. I thought for a moment that the hon. Gentleman was suggesting that the Institute of Accountants of Scotland should not have appeared at the top of the list. The list is as in the Teaching Council (Scotland) Act.

Amendment agreed to.

Schedule 1.—(Composition of Courts of Older Universities.)

Mrs. Hart: I beg to move Amendment No. 46, in page 9, line 24, leave out from "number" to "as" in line 25 and insert: "of whom none may hold an appointment in the University of St. Andrews".

I think it would be convenient if we take Amendments Nos. 48, 49, 50 and 51.

This Amendment and those associated with it give effect to the undertaking I gave in Committee to delete the words "full-time" on Report to ensure that the Court of St. Andrews would have a lay majority and that this would follow for the courts of the other universities. During the discussion on Schedule 1 hon. Members will remember that the

hon, and learned Gentleman the Member for Edinburgh, Pentlands (Mr. Wylie) drew attention to the possibility that under the wording of the Bill as it then stood professors who held chairs under the patronage of bodies other than the university court—he was particularly pointing to Edinburgh—could be coopted on to the university court and thus disturb the balance between lay and academic representation.

Hon. Members will remember that I promised to look at this point and this Amendment, is the result. We have confirmed that there are academic appointments under the patronage of bodies other than the courts in all four universities. The Amendments will ensure that the courts continue to have a lay majority. It will be obvious why it was convenient to take Amendment No. 51 with this, because it covers a safe point and fulfils the undertaking given in Committee.

Mr. MacArthur: I should like to record our appreciation to the hon. Lady the Joint Under-Secretary of State for considering this point. As she says, her Amendments cover the point which we had in our Amendment No. 51.

Amendment agreed to.

Further Amendments made: In line 41, leave out "from the University Court" and insert "in the University of Glasgow".

In page 10, line 15, leave out "from the University Court" and insert: "in the University of Aberdeen".

In line 31, leave out "from the University Court" and insert: "in the University of Edinburgh.—[Mrs. Hart.]

Schedule 2.—(Powers of University Courts.)

Mr. MacArthur: I beg to move Amendment No. 52 in page 10, line 37, at the beginning to insert:

"Subject to the provisions of section 7 of this Act".

This point was made by myself in Committee, and I do not propose to go through the arguments again in detail. The hon. Lady the Joint Under-Secretary of State was good enough to say that she would consider the point between the Committee stage and Report. I should be

obliged if she would let us know the result of that consideration.

The argument, in brief, is this. There is an interesting contrast between Clause 7 and Schedule 2. Part I of Schedule 2 gives the university court the power, by ordinance,

"To amend the composition, powers and functions of the University Court, the Senatus Academicus, and the General Council . . . ", whereas Clause 7 lays down specifically the proportion of readers and lecturers who should belong to the senatus academicus of each of the older universities. It would, perhaps, be a mistake not to have the protection of the Amendment written into the Schedule in view of the very special recognition of the position given by the provisions of Clause 7.

Mrs. Hart: I have very carefully considered this Amendment and I have a good deal of sympathy with the motives which lie behind it. However, having considered it in terms of a logical and sensible Bill within which the various parts are consistent with each other, it does not seem a good idea to accept the Amendment. First, there is the protection that any change in the composition of the senate as laid down in Clause 7 would have to be prescribed by ordinance. It would, therefore, have to come before the Privy Council. To that extent, there is the full protection of the Privy Council.

It would be inconceivable, either at present or in the foreseeable future, that in the existing climate of opinion the courts would seek to reduce the proportion of members of the senate who are readers and lecturers relative to the others. This is not a point on which anyone need have any fear.

If, therefore, it is not likely to be a practical possibility because nobody would allow it to happen, and if there is the protection of the Privy Council, the question that remains is whether, having regard to the importance that we attach to this point and have done in our consideration of the Bill, we should distinguish between this type of ordinance and this aspect of the composition of the senate in comparison with other equally important aspects of the constitution of the senate—for example, the number of senate assessors on the court. This is a matter which is regarded

as quite as important by many people. If an Amendment covered this point, what would be the logic in refraining from making other Amendments that enshrined other provisions of a parallel nature in the Bill?

Bill

It is therefore merely on grounds of inconsistency in the Bill rather than because of any lack of sympathy with the hon. Member's intentions that I do not regard his Amendment as acceptable, it being clearly understood that one recognises the total improbability that any worsening of the position from this point on would occur in the proportion of readers and lecturers. There might possibly be an extension, but not a reduction.

Mr. MacArthur: I am grateful for the hon. Lady's sympathy and, in general, I accept her explanation. I agree that it is most unlikely that any change of this kind would be proposed, but I thought it right to raise the matter in what I thought to be the interests of consistency. The hon. Lady has, however, reminded us that in the unlikely event of this happening there would be a form of protection through the Privy Council. I accept that and I beg to ask leave to withdraw the Amendment.

Amendment, by leave, withdrawn.

Mrs. Hart: I beg to move Amendment No. 53, in page 11, line 4, to leave out "always that in" and to insert "that before proceeding to".

This is a minor drafting Amendment designed to make it clear that the court must take into account the views of any body set up under the Acts of 1858 or 1889 before any steps are taken to amend the composition of that body. In Committee, at col. 243, I accepted an Opposition Amendment the purpose of which was to ensure that the bodies set up under those Acts would be heard if it were intended to amend their composition.

Technically, in view of the acceptance of the "body or person" Amendment—that phrase is now familiar to hon. Members—there was no need to accept the Opposition Amendment on that occasion. Since any change can be made only by ordinance procedure, those bodies could make representations under Clause 4(c). However, under the ordinance procedure

[MRS. HART.]

those bodies can make representations only when they have received the draft. The Amendment would enable any of those bodies to make recommendations during the preparation of the draft—that is, before the procedure of Clause 4 has begun to operate. This strengthens the proviso.

The Amendment may go some way to meet the representations of Edinburgh Corporation. We have a later Amendment concerning the curators of patronage, but this Amendment is relevant to it in that it protects their position much further.

Amendment agreed to.

9.30 p.m.

Mr. MacArthur: I beg to move Amendment No. 54, in page 11, line 6, at the end to insert:

"and in the case of the Curators of Patronage, shall have their consent".

As the hon. Lady has just said in our discussion on the previous Amendment, the point is to some extent covered by what has gone before, but, with respect to the hon. Lady, not sufficiently so.

The University of Edinburgh has its roots back in time in the College of Edinburgh, or the Town's College, which was founded in the sixteenth century by the town council of Edinburgh. Under the Act of 1858, the patronage of certain chairs in the University of Edinburgh was transferred from the town council to the curators of patronage. There are seven curators of patronage, three nominated by the University Court and four nominated by the town council. The relationship between the curators and the university is a very ancient one and, in a sense, the curators have carried forward today the ancient atmosphere of the original nature of the foundation in which the university started its being.

I understand that what might be called the balance of power between the various sections of the curators of patronage is now the subject of some discussion as to whether there should be three or perhaps four members nominated by the university court and may be three members nominated by the corporation instead of the present four.

Obviously I do not propose to discuss the merits of that at the moment. But I think that it is important in the Schedule

to provide that if there is to be a change in the weighting of authority within the curators of patronage, the curators of patronage themselves, as a body, should give their consent to that change, and the whole authority for the change should not be entirely in the hands of the university court. I hope that the hon. Lady will extend her sympathy on this occasion to acceptance of the argument and the Amendment.

Bill

Mr. David Steel: I hope that the hon. Lady will not extend her sympathy to the Amendment. The hon. Member for Perth and East Perthshire MacArthur) is quite correct in tracing the origin of the curators of patronage. The fact that they are more or less a mediæval institution is no reason why they should have supervening powers today. The case for taking their views into consideration has been adequately met in the Amendment that we have just passed, and I hope we shall not continue to give some right of veto to this mediæval, interesting but perhaps not quite up-to-date body in the administration of the university.

Hart: I have just been experiencing the same sense of slight surprise which has afflicted me from time to time during the passage of the Bill, in that I have never been quite sure what any hon. Member was going to say. The support of the hon. Member for Roxburgh, Selkirk and Peebles (Mr. David Steel) is surprising, but none the less welcome.

I must say to the hon. Member for East Perthshire Perth and (Mr. MacArthur) that the previous Amendment covers the point. He will know, as he indicated, that discussions are going on between Edinburgh corporation and the university. We have looked into it very carefully, and we do not find any reason to suppose that Edinburgh corporation has any distinct feeling of unhappiness about the arrangements that have been made in the Bill. I can see that those who are mediævalists, either by taste or by inclination, may feel that, above all, the interests of the curators of patronage must be protected, and I can see that the hon. Gentleman feels that.

I would say that Edinburgh corporation seems pretty happy that mediævalism is being preserved to some extent at least in the Bill, that the curators of patronage are being given every possible consideration, and relationships with the university show no signs of any pronounced deterioration on that account.

Mr. MacArthur: I am not a medievalist. I do, however, have a certain respect for ancient institutions. I think that it is unwise to weaken them or to push them about without very careful thought, and this was at the back of my mind in moving the Amendment. However, the hon. Lady has pointed out that the previous Amendment does to some extent meet the point, and I accept her assurance that the discussions which are now going on, and to which the Amendment directly relates, are taking place in a spirit of harmony and agreement. With that assurance, I beg to ask leave to withdraw the Amendment.

Amendment, by leave, withdrawn.

Amendment made: In page 11, line 31, at end insert:

4. On the recommendation of the Senatus Academicus, to prescribe the procedure to be followed in the case of alleged breaches of discipline within the University where the alleged breach is one which might be punishable by expulsion or rustication.—[Mrs. Hart.]

Schedule 6.—(Transfer of property, ETC. TO University of Dundee and OTHER TRANSITIONAL PROVISIONS.)

Mrs. Hart: I beg to move Amendment No. 56, in page 19, line 25, to leave out "after" and to insert:

"from the start of the academic session next following".

The effect of this Amendment is simply to extend five years after the appointed day to five years from the beginning of the academic session following the appointed day. It is rather a technical Amendment, but it is of considerable importance to the medical students who will need to complete their six-year courses. If the appointed day does not happen to occur at the end of the academic session, they will be in some difficulty.

As the proviso stood, if the appointed day fell half-way through a session, the students would not be entitled to complete their courses, and I am sure that no one would wish that, so I am certain that I shall have the support of the House on this last Amendment.

Amendment agreed to.

Bill read the Third time, and passed.

# LOCAL GOVERNMENT (PECUNIARY INTERESTS) (SCOTLAND) BILL

Not amended (in the Standing Committee), considered.

Clause 1.—(PECUNIARY INTERESTS OF MEMBERS.)

9.38 p.m.

The Minister of State for Scotland (Mr. George Willis): I beg to move, in page 2, line 17, at the end to insert:

(6) Any decision under the said subsection (8) (as amended by this Act) to remove any disability imposed by the said section 73 may be modified or revoked by the Secretary of State.

During the Committee stage of the Bill we had considerable discussion concerning the length of time for which dispensations given by the Secretary of State should last. It became clear that we had omitted from the Bill powers for the Secretary of State to modify or revoke any dispensations given by him, and I promised to table an Amendment on Report to correct this. This is the Amendment, and I hope that the House will accept it.

Mr. Gordon Campbell (Moray and Nairn): We are glad that the hon. Gentleman has been able to find a suitable form of words to deal with the point which was raised during our discussions in Committee. We accept the words which have been suggested as filling the gap which we discovered.

Amendment agreed to.

Motion made, and Question proposed, That the Bill be now read the Third time.

9.40 p.m.

Mr. Campbell: In Committee, we raised a number of points, on which we had a full discussion. Now that the Bill is likely shortly to receive its Third Reading I want to make some general comments upon it. It was introduced as a minor Measure, to make possible certain improvements of an administrative nature. There were two in particular. The first, as we understood it to be explained by the Government was to give a councillor or local government official a defence in court if he were charged with failing to disclose an interest in a case which could

[MR. CAMPBELL.] be only a technical breach of the 1947 Act and could have no substance.

The relevant parts of the Bill are Clause 1(1) and Clause 2(1). In Committee, doubt was expressed whether this provision was necessary in Scotland, and whether the wording introduced as a defence would make the position any clearer. The Government stated that this was the intention.

The second administrative improvement enabled the Secretary of State to give a wider dispensation to councillors to speak or vote, in certain circumstances, if they were disabled by having a financial interest. We recognise that the present system, under which there is a separate dispensation for each item considered at a meeting, and for each councillor, could lead to an unnecessary and time-wasting repetition of applications, but we do not think that the power of the Secretary of State need have been extended so widely as it is in the Bill in order to overcome this difficulty. In particular, we would have preferred a time limit rather than an indefinite period.

We hope that the Government will use the new provisions of the Bill for the purpose which they stated on introducing it, namely, to improve the administrative position in carrying out the 1947 Act. It is apparent from what I have just said, however, that Clause 1(5) could be used for much wider purposes—for example, to alter entirely the principles and practice of the past 20 years or more in Scotland for granting dispensations, by granting dispensations, without a time limit, to whole categories of persons throughout Scotland, regardless of the position in each council, when, in the past, decisions to grant or not to grant have been taken in the light of the proportion of councillors on each council who were disabled.

If whole categories were given dispensations in this way there would be a major change in the present practice. Hitherto, applications for dispensation have been considered in the light of the question whether only two or three persons in a council were disabled, or whether there were a considerable number—the question often being whether more than one-third of the councillors were so disabled. We consider that if such sweeping changes

are contemplated, or seem necessary, the Government should bring the matter to the House of Commons.

Those major changes of principle should be considered here, on their merits, at the time. When we put this suggestion forward in Committee the Minister of State appeared to recognise the need for further parliamentary debate if such a question came up, and it seemed that this change was necessary in Scotland. We consider that this would be the correct procedure.

9.45 p.m.

Mr. Willis: There does not seem to be much that I need to reply to in the remarks of the hon. Member for Moray and Nairn (Mr. Gordon Campbell). We have had long discussions on the first point with which the Bill is concerned, namely, the insignificant or remote pecuniary interest. The Bill puts Scotland in the same position as England. We think that it would be advantageous to all local authorities. The local authority associations think so, too, and because of this we are quite happy with it.

On the second point, about the possibility of changing the practice and principles already operating in Scotland, under Clause 1(5), we have had considerable discussion about this also. While it is true that that makes it possible to alter the practice in Scotland, I pointed out during the Committee stage that, clearly, before acting under this subsection, the Secretary of State would consult the local authority associations—the counties, the cities, the county councils, the small burghs and the rest. He would not, of course, use the power wrongly—

Mr. Campbell: I understand that he would consult the local authorities through their associations, but our point was that ratepayers and electors and other persons in Scotland who are concerned with local government ought to get their opportunity, through their representatives in Parliament, also to comment.

Mr. Willis: It is certainly doubtful whether the Secretary of State would take any action until there was a demand for it. That demand would be expressed in the usual way, through public speeches, by questions to my right hon. Friend in the House, by deputations, representations and the rest of the democratic

procedures which enable a Minister to judge public opinion, at which point he would, as is customary—I know of very few occasions when the Secretary of State does not—consult the local authority associations and assess the volume of opinion for anything which he might think of introducing.

The hon. Gentleman made the point, as he did also during the Committee stage, that if a category of people was given a dispensation throughout Scotland, we might give a dispensation to the only person on a council requiring a dispensation. I think that I told the hon. Gentleman at that time that the present position is very anomalous.

If there is only one person on a council of 27 members with an interest, perhaps as a municipal tenant, he must neither speak nor vote. If, however, there are more than nine councillors who are municipal tenants-or a sufficient number to alter the majority within that council—they are given powers to vote and to speak. In other words, the anomaly at present is that, precisely when the person is unable to influence the council, he is told that he must on no account speak or vote. However, when a group of persons reaches a number able to influence the decisions of the council, they are given a dispensation. Does not that strike the hon. Gentleman as a little anomalous and make nonsense of his argument?

I am sure that, if he thinks over this, he will realise that this is an indefensible position, but it has to be accepted in order to allow councils to carry out their work—

Mr. G. Campbell: What I am saying is that this is a subject on which, as the hon. Gentleman said, there are different opinions. People can say that it is anomalous. On the other hand, it has been going on for a considerable time. It ought to be considered separately on its merits if the whole practice is to be changed, with views put defending it and opposing it. I am not concerned with its merits at this stage.

Mr. Willis: I answered that earlier by saving that in this case, about which the hon. Gentlemen opposite were most concerned, we have been consulting the local authority associations. I reported the results of those discussions and

we are still consulting the associations on this matter.

I promised, in Committee, to consult the local authority associations concerning a declaration of the full interests of councillors, the suggestion having been made that these interests should be registered in a register to be kept by councils. In the short time that has elapsed between the Committee stage and now we have not been able to carry out these consultations thoroughly. However, we did approach the counties and county burghs and neither of them were happy about the suggestion. We therefore took no action and did not put down any Amendments. Clearly, we did not have sufficient time to consider the matter, although our preliminary inquiries showed that there was no great support for the suggestion.

9.51 p.m.

Mr. Alasdair Mackenzie (Ross and Cromarty): I understand that the Bill is designed to remove certain anomalies. Having listened to the discussions in Committee it is fair to say that the Bill is concerned more with the South of Scotland than the area which I represent. This is due largely to the fact that in the Highlands we have no party politics in local government. Councillors are elected because of their knowledge, experience and understanding of the problems of the area, and the question of party politics does not arise.

I can understand why the question of interests held by councillors—particularly from the point of view of remote or insignificant interests—is a difficult matter to decide. In the Highlands councillors must be given a certain discretion in deciding whether or not they have such remote or insignificant interests in the business before the council. That does not mean that councillors in the area are not aware of their obligation to disclose any financial interests they may have in council business.

We must remember that a great deal is expected of councillors. Indeed, it is becoming increasingly difficult to find people with the necessary qualifications to undertake this work, particularly in constituencies such as mine. Councillors must spend much more time these days in local government activities and it is, therefore, important that nothing is done which would give prospective

[MR. MACKENZIE.]

councillors the impression that their work is not of extreme importance. We must also ensure that there is no suspicion that councillors hold their positions because of pecuniary interests.

As far as I can judge, the changes proposed will have the tendency to remove any such suspicions, and while this is, perhaps, the most unimportant Measure which has been before the Scottish Grand Committee during the last 14 months, it will do some good and, on behalf of my party, I support it.

Mr. Hugh D. Brown (Glasgow, Provan): The Minister said, in connection with Clause 1(5), that he would seek the support of the local authority associations. "Support" was the word he used. I take it that my hon. Friend really means that he will consult opinions, and will not necessarily allow the decisions of the various associations to determine what his action will be in that respect?

Mr. Willis: The short answer is, "Yes".

Question put and agreed to.

Bill accordingly read the Third time and passed.

### POST OFFICE SAVINGS BANK BILL

Not amended (in the Standing Committee), considered.

9.55 p.m.

The Postmaster-General (Mr. Anthony Wedgwood Benn): I beg to move. That the Bill be now read the Third time.

In view of the very friendly way in which the Bill was received at its earlier stages, I do not propose to trouble the House with a long speech on its Third Reading, but I should like to say how grateful I am to hon. Members opposite who, in the Standing Committee, contributed to a most careful, but always expeditious, scrutiny of the Bill. We had many interesting questions and debates, and the House can rest assured, I think, that although the Bill has emerged unamended, the searchlight of criticism and inquiry has been turned very fully on it, and we certainly expect that much that was said in the Committee will be reflected in our final arrangements for the investment account service.

There is just one other general point I would mention, because it was fundamental to much of our discussion in the Committee. I was greatly impressed by the point made by various hon. Members who were anxious to see that the new service was managed in the interests of depositors. The Government's contention is that the service must be run with just that objective if it is to produce the extra savings for which it is designedand which the country needs. In any case, I hope that the specific assurances I was able to give will help to allay any possible anxiety they might have had that we do not intend to put the depositors' interests first.

I am sure that the Bill goes forward now with the good will of the House under the happiest auguries for the future, and I greatly hope that the House will now give it the Third Reading.

9.57 p.m.

Mr. Paul Bryan (Howden): On Second Reading I said that we on this side welcomed the Bill, that we would help it through, if it needed help, and that we would do our best to improve it. I think the fact that there were only three Committee sittings showed that we meant what we said. On the other hand, the fact that there were no Amendments does not really mean that we have not improved the Bill at all. The purpose of a Standing Committee is not merely to pass a Bill but also to inform and reassure people outside the House, whether they be the investors of the future or the professions that advise them, and I think that, judging from the reassurances and information we stimulated the Postmaster-General into giving us, we did just that

In the Committee we discussed at some length the question of the investment of funds, and got the assurance of an exact statement in some detail in the annual accounts of the way in which the money was to be invested. I am sure that the statement issued in the Post Office accounts will be scrutinised by those of us who took an interest in these things in the Committee. I thank the right hon. Gentleman for his words about the interests of depositors, a subject about which we talked a good deal in the Committee. It is true that we wanted this point written into the Bill, but his assurance will bring comfort to those who were worried about it.

This has been very much a catching-up Bill—we have been catching up with the Trustee Savings Banks-and we on this side were looking closely at the Measure to see whether it had sufficient flexibility to avoid future legislation-or future catching-up Bills. Again, I think the assurance we had on this point persuaded us that there was a good deal of flexibility in the Bill. There is the fact that the rate of interest can be varied; that conditions of withdrawal and notice of withdrawal can be adjusted; that the qualifying deposit, now £50, can be changed by the stroke of a pen, as the Postmaster-General put it; that the calculation of interest which is now by the calendar month can be altered if, by computerisation or other means, it can be speeded up. That was all brought out in Committee. We therefore congratulate the Postmaster-General on this Bill-or his interitance—and hope that it will prosper in another place.

9.59 p.m.

Sir Douglas Glover (Ormskirk): I want to thank the Postmaster-General for his generous tribute to the Opposition. As he himself spent many weary years on this side, he knows that opposition can be a thankless task. The Government of the day can always say that the Opposition are ill-informed—

It being Ten o'clock, the debate stood adjourned.

Ordered,

That the Proceedings on Government Business may be entered upon and proceeded with at this day's Sitting at any hour, though opposed.—[Mr. Charles R. Morris.]

Question again proposed, That the Bill be now read the Third time.

Sir D. Glover: I wish to thank the right hon. Gentleman for his generous tribute to the Opposition for their informed and responsible criticism of the Bill, which goes some way to refute the remark of the Prime Minister who spoke about "an irresponsible Opposition". If this House ceases to debate Bills at this time of night in the weeks to come, I shall have much pleasure in quoting what the Postmaster-General said tonight.

Question put and agreed to.

That the Bill be now read a Second time. and passed.

# STATUTE LAW REVISION BILL [Lords]

Motion made, and question proposed, That the Bill be now read a Second time. —[The Solicitor-General.]

10.1 p.m.

Mr. Graham Page (Crosby): I had hoped that perhaps the Solicitor-General might have explained the Bill a little and might have mentioned that this is the last product of the Statute Law Committee. That Committee has been in existence for nearly a century and its work is now to be taken over by the Law Commission. This being the last Bill which comes from that Committee, we should pay tribute to the work of the Committee over the years.

As was said in the Joint Committee on this Bill, statute law revision is not something like knitting that one can take up, knit a few rows and then put down; it is a heavy job. For the past 10 years it has been a one-man job by one parliamentary counsel who has done very great service to the House. I see no reason why his name should not be mentioned from this Box. Mr. C. H. Chorley, who has

[MR. PAGE.] done great service in statute law revision. I trust that the Law Commission will be able to do it as well.

Since 1961, there have been six statute law revision Acts. Although this House has the benefit of the admirable work done by the Joint Committee, it should study the Bill when it comes before the House even though it cannot question the Committee's Report that the statutes included in the Bill are all

"obsolete, spent, unnecessary or superseded enactments".

The House should look at the Bill because the Statute Law Revision Act, 1950, the last Act of the previous Labour Government, had to be corrected by the first Statute Law Revision Committee of the Conservative Government of 1953.

The Solicitor-General (Sir Dingle Foot): It will not happen again.

Mr. Graham Page: The right hon. and learned Gentleman says that it will not happen again. This is the first Statute Law Revision Bill of this Labour Government—the first major one, there was a minor one correcting one or two particular statutes. In view of the rumours we may have to correct it quite soon. So I want to see whether it is in order. Perhaps the Solicitor-General could explain the very first item in the Schedule. This is the repeal of the Billeting Act, 1679, which, I understand, forbade the billeting of soldiers on private residents. I understand that this Act is now considered to be unnecessary because these provisions were included in the Petition of Right. This puzzled me a little to start with, because I was not certain whether the Petition of Right was really a Statute, but I find that it is. It is Statute No. 3, Charles I, Chapter 1.

What puzzled me even more is that the Billeting Act which is now to be repealed is 1679 and apparently was made obsolete by the Petition of Right, which was 1627. How could the Billeting Act, 1679, have been made obsolete by the Petition of Right in 1627? Perhaps the hon, and learned Gentleman would explain the reasons for this and the effect of this.

Mr. Speaker: Order. I hesitate to interrupt the hon. Gentleman. He knows—indeed, he has already said—that the Bill has come from a Joint Committee.

He has paid tribute to that Committee's work. I hope that the hon. Gentleman is not going to go through all the Acts in this way on this Second Reading.

Mr. Page: I assure you, Mr. Speaker, that I was endeavouring not to question whether the Measures listed in the Schedule are

"obsolete, spent, unnecessary or superseded" because the Joint Committee has told us that that is so. I could not see the effect of repealing the very first Act in the list. It is the effect of these repeals which we are entitled to question when a Statute Law Revision Bill comes before the House.

As I understand it, the effect of the whole of the first portion of the Schedule, which deals with the Armed Forces, is to repeal the Volunteer Acts which were superseded when the Territorial Army was created in 1907, but for some reason the Volunteer Acts have been left in operation. I wonder whether we are now asked to repeal these Acts in case the Government's abolition of the Territorial Army might result in the volunteers coming into operation again if we did not repeal these Acts.

There are a number of points in the Schedule which are a little puzzling. Although the way the Schedule is set out, with the several headings, is a great convenience-" Armed Forces Repeals", "Constabulary Repeals", "Transport Repeals", and so on; I would not dream of going through every single Statute there are one or two which are a little puzzling. For instance, is the point of the land tax repeals merely to remove the phrase "land tax" from a number of Statutes where it now occurs? Land tax has been repealed for a very long time. It is puzzling that we should have to repeal a number of Acts now which deal with land tax. One would have thought that they had gone already.

We must take the Joint Committee's statements that the Acts are all within the Long Title, but the statement in the Long Title that they are "unnecessary" needs some explanation in connection with some of the Acts. For example, there is the one which was commented upon in the Joint Committee, in which, I am sure, the hon. Member for Leicseter, North-West (Sir B. Janner), whom I see in his place, will be interested, which

dealt with hackney carriages plying for hire outside the Post Office. Apparently, it is now either obsolete or unnecessary. The question was raised in the Joint Committee as to what was meant by the word "unnecessary".

As I understand, statutes brought before the House in this Bill which are said to be unnecessary are unnecessary not by reason of having been repealed in some other statute but merely because there are other powers elsewhere which are just as efficient. If I am right in this, the Report of the Joint Committee takes substantial steps in amending the law. This is not quite like a consolidation Bill. It is an amendment of the law, and to that extent it calls for some explanation by the hon, and learned Gentleman.

10.11 p.m.

The Solicitor-General (Sir Dingle Foot): First, I join in the tribute paid by the hon. Member for Crosby (Mr. Graham Page) to the Joint Committee and, in particular, to the contribution which has been made by Mr. Chorley.

All the points which the hon. Gentleman raised were fully considered by the Joint Committee, which has certified that the Bill does not represent any change whatever in the law. It is purely a consolidation Measure. We are not asked to engage in any fresh adventure in legislation. We are asked simply to clear away a certain amount of legislation which has now become entirely unnecessary and which clutters up the Statute Book.

Mr. Graham Page: The Solicitor-General says that we are told that there is no change in the law. But there is this distinction between a consolidation Bill and a Statute Law Revision Bill, that the latter does alter the law; it removes law which is unnecessary or obsolete, quite different from consolidation.

The Solicitor-General: Yes, but the hon. Gentleman will see in the evidence given to the Joint Committee that the Joint Committee accepted what was said by Mr. Chorley, that this involves no change whatever in the substantive law. It clears away a certain number of Statutes which have now become meaningless or which are duplicated by other Acts of Parliament.

The hon. Gentleman raised the subject of billeting and asked, as was asked before the Joint Committee—though no one quite knew the answer—why there had to be a Billeting Act in 1679 prohibiting compulsory billeting upon the people of this country when billeting had already been prohibited by the Petition of Right in 1627, which, as the hon. Gentleman rightly said, is part of the law and, I hope, will always remain part of our law.

Hon. Members are familiar with it, but may I remind them of the terms of the Petition of Right, 1627? It was said in the Title:

"And whereas of late great companies of soldiers and mariners have been dispersed into divers counties of the realme and the inhabitants against their will have been compelled to receive them into their houses, and there to suffer them to sojourne against the laws and customs of this Realme, and to the great grievance and vexation of the people. . . ."

In the substantive part of the Petition, it was prayed:

"And that your Majestie would be pleased to remove the said soldiers and mariners that your people may not be so burdened in tyme to come,"

The King was pleased to accede to the Petition, and it has remained part of the substantive law of this country ever since.

Then, of course, there was the problem of why it was necessary in 1679 to reenact this matter. The only explanation that I can suggest is one put to me just now by one of my hon. Friends—that in 1679 there was a Conservative Government and, as on other occasions, they thought it necessary to pass wholly unnecessary legislation. That was the major point raised by the hon. Member for Crosby.

The hon. Gentleman also referred in particular to the question of land tax repeals. It will not have escaped him that, on this occasion, there is a long Explanatory Memorandum. I do not propose to burden the House by reading it but he will find a complete explanation in page 3 of the Memorandum in a paragraph dealing with land tax repeals.

I assure the House that, although a number of Statutes which no longer have any application to anything at all are removed from the Statute Book, the Bill does not involve any substantive change [THE SOLICITOR-GENERAL.] in the law. It is, therefore, purely a Consolidation Measure which I commend to the House.

10.16 p.m.

Sir Douglas Glover (Ormskirk): While, after a period in this House, I suffer more and more disillusionment, I have always believed, whichever party was in power, that the Law Officers of the Crown were gentlemen very learned in the law who ensured that ordinary Members of this House passed only such legislation as was necessary for the good government of the country.

Now, however, the learned Solicitor-General, holding a distinguished office held by predecessors of all political parties before 1627 and ever since, says that we are removing from the Statute Book laws which duplicate other laws. I suggest to the House, therefore, that perhaps we had better be a little more cautious in accepting the views of learned Law Officers of the Crown in the future. Apparently, in the past, they have recommended to the House legislation duplicating other legislation already on the Statute Book.

The Solicitor-General indicated dissent.

Sir D. Glover: The hon, and learned Gentleman shakes his head, but otherwise it would not be necessary to repeal legislation duplicating other legislation. Some Law Officer of the Crown at some stage must have allowed this to be passed into law by Parliament when in fact another law dealing with the same subject was already on the Statute Book.

What emerges from this debate is that ordinary Members of this House had better view with a little more suspicion pleas put forward by the Law Officers when explaining legislation to the House, its implications and how it affects previous legislation.

Question put and agreed to.

Bill accordingly read a Second time.

Bill committed to a Committee of the whole House.—[Mr. Charles R. Morris.]

Committee Tomorrow.

# MINES (WORKING FACILITIES AND SUPPORT) BILL [Lords]

Order for Second Reading read.

Motion made and Question proposed, That the Bill be now read a Second time. —[The Solicitor-General.]

10.19 p.m.

Mr. Graham Page (Crosby): I had thought that a Bill was usually presented from the Government side, but on each occasion I am having to rise from this Bench to explain what the Bill is about. I am flattered to do so, but I would have thought that the learned Solicitor-General might have risen to do so as a matter of courtesy to the House.

This Bill is truly a consolidation Bill and not a statute law revision Bill. It seeks to consolidate a particular form of compulsory purchase and compensation—a form of compulsory purchase relating to the obtaining of rights to work minerals if it is in the national interest that those minerals should be worked.

The Bill consolidates the rather unusual procedure whereby a person who desires to work minerals, or to have certain rights to do so, applies to the Minister and the Minister, if he then sees fit, refers the matter to the High Court and the High Court decides whether that right should be granted and what compensation should be paid. This is an unusual form of compulsory acquisition and assessment of compensation.

Sir Barnet Janner (Leicester, North-West): I do not understand how, in a debate on a Bill of this nature, the hon. Member for Crosby (Mr. Graham Page) can raise issues of this kind. This is purely a consolidation Bill. We are here not dealing with the subject matter of the Bill. I respectfully submit that all the hon. Gentleman can do is to say whether the Bill consolidates the law. If it does not, he is entitled to speak on it. The merits or demerits of what is in the Acts being consolidated have nothing to do with the subject.

Mr. Graham Page: If the hon. Gentleman had allowed me to develop my argument, he would have seen that I have a perfect right to question the timing of the Bill. I have to explain its contents in order to explain why I think that it is ill timed. When a consolidation Measure

is before us, the House is entitled to consider whether this is the appropriate time at which to consolidate the subject matter of the Bill.

Sir Douglas Glover (Ormskirk): Surely, in addition to that, the House is perfectly entitled to know what is being consolidated.

Mr. Graham Page: Indeed. As the right hon, and learned Gentleman the Solicitor-General did not tell the House, I intend to do so. I will explain why it is ill timed.

The Bill deals with compulsory purchase of mineral rights. There is now before the House legislation dealing with the Land Commission, which has some monstrous powers of acquisition. It is making a farce of consolidation when it is quite clear that other legislation, if passed by the House, would set aside this form of compulsory acquisition. It will be quite purposeless in future.

Instead of using this form of acquisition, of applying to the Minister for mineral rights and the Minister referring the matter to the High Court, none of that will happen in future if the Land Commission Bill is accepted by the House and there will merely be an application to the Commission to acquire the mineral rights and to exploit them in the national interest.

Mr. Deputy Speaker (Mr. Roderic Bowen): The hon. Member is not in order in discussing arrangements alternative to those which are provided in this Consolidation Measure.

Mr. Graham Page: With great respect, I was endeavouring to show why this was the wrong time to bring forward a Consolidation Measure and I was saying that the House was contemplating a Measure which would make this purposeless. I would have thought that I could also deploy that argument in connection with the compensation provisions which are consolidated in the Bill.

Assurances have been given by the Government during the course of previous debates in this Session, on earlier matters of legislation, that there would be a complete review of compensation. I cannot imagine that the form of compensation contained in the Bill would survive a review of that sort. Again, I say that

it is ill timed to bring forward a Consolidation Measure which cannot have a very long life. Perhaps this part of the law has been consolidated because it is easier to repeal it when collected together and consolidated in this form. If that is so, the Government should be frank and honest with the House and say that that is the purpose of the consolidation.

10.25 p.m.

Sir Barnett Janner (Leicester, North-West): We have had this kind of Bill before the House on a number of occasions. The whole purpose of consolidating is to remove the dead wood and try to bring into reasonable wording the law as it stands. No one has a reasonable ground for complaint if a Bill is introduced in order to make the law clear, without having to delve into all of the statutes concerned, which are repealed by virtue of a Measure of this kind. I do not think that this lends itself to being a question of debating what is coming in the future. The question is whether it is proper and right for the purpose of the lay people as well as the lawyers, to consolidate a number of Acts and remove the rubbish lying about? Nothing can be better than to have consolidating Bills for this purpose.

10.26 p.m.

Sir Douglas Glover (Ormskirk): This is the sort of Bill that Governments of all parties bring in on a day when they do not think that anyone will be here. It has been said from the other side of the House that one has not a right to ask what is being consolidated. I believe that the Government have treated the House with grave discourtesy, because any Government has a responsibility to explain the purpose of legislation which they are trying to get through the House.

I am not disagreeing with the hon. Gentleman the Member for Leicester, North-West (Sir B. Janner), who is an old friend of mine, that a lot of this is dead wood. He happens to be a lawyer, and is much more conversant with what is dead wood than perhaps 90 per cent. of the Members of the House. But other Members are just as entitled to know what is being done in cleaning up legislative statutes.

I am not disagreeing with the idea behind this, but I do think that the [SIR D. GLOVER.]

House has been treated discourteously since my hon. Friend the Member for Crosby (Mr. Graham Page) has had to move the only explanation we have had about the Bill.

10.27 p.m.

The Solicitor-General (Sir Dingle Foot): We are dealing with a perfectly well understood procedure here. This is a consolidation Measure which does not raise any question of principle, and if any hon. Member wishes to know what is involved, all he has to do is to look at the Report of the Joint Committee. This procedure has been followed again and again and no discourtesy is involved when a Minister does not go over the ground covered by the Report. I do not complain, and I never have complained, when either of the hon. Gentlemen opposite have sought to debate a consolidation Measure. I would respectfully suggest that the purpose is clear enough. To see what is involved one has only to look at the Schedule to the Bill, and at the Measures repealed.

If hon. Members care to turn to the Bill they will see that there are nine Measures dealing with working facilities and support, and similar matters in the mining industry. This has nothing to do with forthcoming legislation on the Land Commission. It is a matter of general convenience, that legislation dealing with this very technical subject should be included within the ambit of one Statute. The Committee has reported that this Bill is pure consolidation and represents the existing law and that there is no point to which it thinks the attention of Parliament should be drawn.

This is a report of a Committee on which the party opposite was fully repre-sented. That is a perfectly sufficient answer to the speeches that we have heard.

Question put and agreed to.

Bill accordingly read a Second time.

Bill committed to a Committee of the whole House.—[Mr. Harper.]

Committee Tomorrow.

[Continued in Col. 1673]

Thursday, 17th February, 1966

## BOARD OF TRADE

#### **Investment Incentives**

2. Mr. Gower asked the President of the Board of Trade how many consultations he had with industrial and other bodies on the new policy of investment incentives before the publication of the White Paper.

Mr. Darling: None. The proposals in the White Paper were equivalent to Budgetary changes and could not be disclosed in advance. The Government, however, took into consideration views expressed by industry on this subject.

70. Sir E. Errington asked the President of the Board of Trade when he proposes to announce further particulars relating to Investment Incentives, Command Paper No. 2874, generally, and in particular the arrangements for dealing with leased assets under paragraph 33 thereof.

Mr. Darling: I would refer the hon. Member to my right hon. Friend's reply on 10th February to a Question by the hon. Member for Leicester, North-West (Sir B. Janner).

# Weights and Measures Regulations (Consultations)

21. Mr. Woodhouse asked the President of the Board of Trade what consultation he normally undertakes with representatives of consumers before introducing regulations under the Weights and Measures Act.

Mr. Darling: In addition to the enforcement authorities and their inspectors, who have much experience of consumers' complaints, my right hon. Friend consults the Consumer Council.

# Companies Act, 1948

22. Mr. Bruce-Gardyne asked the President of the Board of Trade whether he is satisfied that Section 165 of the Companies Act as at present operated by his Department offers adequate protection to members of public companies against oppression by the management of such companies; and if he will make a statement.

Mr. Darling: Yes. My right hon. Friend is satisfied that the provisions of Section 165 of the Companies Act, 1948, relating to oppression of members of a company, and indeed to the other criteria for the appointment of an inspector to investigate a company's affairs, are properly applied by the Board of Trade. If the hon. Member has any particular case in mind and will send me details, I will look into it.

# Third Lanark Athletic Club Ltd. (Shareholders' Complaints)

23. Mr. Rankin asked the President of the Board of Trade what replies he has sent to the representations received from shareholders about the financial affairs of Third Lanark Football Club, which, within the terms of Section 165(b)(i) of the Companies Act, 1948, is acting in a manner oppressive to its members.

Mr. Darling: Applicant shareholders of the Third Lanark Athletic Club Limited have been informed that the facts on the matters about which they have complained are known and that it is for them to decide or seek advice as to their remedies.

#### Cadco

31. Mr. William Hamilton asked the President of the Board of Trade whether, in view of recent developments, he will now publish the report on the Cadco affair.

Mr. Darling: Recent developments do not affect my right hon. Friend's decision not to publish the report for the time being.

#### Advance Factories

30. Mr. William Hamilton asked the President of the Board of Trade when he will make an announcement on the next batch of advance factories.

Mr. Darling: The two current advance factory programmes are the largest for many years, but my right hon. Friend is keeping the position under review.

54. Mr. Scott-Hopkins asked the President of the Board of Trade what plans he

has for the building of advance factories in the Bude-Stratton and Wadebridge-Padstow areas of Cornwall.

Mr. Darling: None at present. The claims of all development districts will be kept under review for future advance factory programmes.

## **Industrial Development Certificates** (Okehampton)

34. Mr. Peter Mills asked the President of the Board of Trade what steps his Department is taking to assist light industry into the Okehampton district of

Mr. Darling: We are always ready to give sympathetic consideration to applications for industrial development certificates for projects appropriate to this

## South Western Development Area (Okehampton)

35. Mr. Peter Mills asked the President of the Board of Trade if he will include the town of Okehampton and the rural district in the West Devon development

Mr. Darling: The economic circumstances of the Okehampton area do not justify adding ti to the proposed South Western Development Area.

# Laundry and Dry Cleaning Charges

37. Mr. Carter-Jones asked the President of the Board of Trade what steps he is taking to prevent the increase in prices charged by dry cleaning firms; and if he will make a statement.

Mr. Darling: Laundry and dry cleaning charges were referred to the National Board for Prices and Incomes January 4th last.

#### Canned Pilchards (South African Imports)

39. Mr. Bessell asked the President of the Board of Trade whether, in view of the hardship caused to inshore fishermen of this country by the free import of canned pilchards from South Africa and South-West Africa, he will now terminate the preferential advantages accorded to South Africa in respect of imported canned pilchards.

Mr. Mason: No.

# Anglo-Rumanian Trade (Talks)

42. Mr. Brewis asked the President of the Board of Trade if he will make a statement on his talks with the Rumanian Trade Mission.

Mr. Mason: Mr. Birladeanu and his colleagues were invited to this country for a general exchange of views on subjects of interest in Anglo-Rumanian relations and to see something of British industry. In their talks with my right hon. Friend they outlined their plans for the future development of Rumania, and we agreed to make every effort to expand Anglo-Rumanian trade. Subsequently Rumanian Minister of Foreign Trade discussed the scope for increased trade more fully with me.

### Rhodesia (Insurance Business)

48. Mr. Biggs-Davison asked the President of the Board of Trade what is the loss to date, and the expected loss, to the British balance of payments due to the transfer of Rhodesia's insurance business to the Republic of South Africa.

Mr. Mason: I would refer the hon. Member to the Answer given to the hon. Member for Dorset, South (Mr. Evelyn King) on 15th February.

#### **Hotel and Catering Industry** (Investment)

49. Mr. Blaker asked the President of the Board of Trade what estimate he has made of the impact on investment in the hotel and catering industry of the abolition of investment allowances and the exclusion of that industry from the new system of investment grants.

Mr. Mason: I would refer the hon. Member to the Answer given by my right hon. Friend on 27th January to the hon. Member for Blackpool, North (Mr. Miscampbell).

#### Consumer Complaints

50. Mr. Buchan asked the President of the Board of Trade if he will introduce legislation setting up arbitration boards to deal with consumer complaints to replace the existing boards which have been set up by trade associations.

Mr. Darling: No.

# Advance Factory, Stranraer

51. Mr. Brewis asked the President of the Board of Trade when he expects the new advance factory at Stranraer will be completed and ready for occupation.

Mr. Darling: The contract for the construction of the advance factory at Stranraer has not yet been awarded but I hope that the building will be ready for occupation by the end of the year.

## Development Areas, Scotland (Extension)

52. Sir W. Anstruther-Gray asked the President of the Board of Trade whether it is his intention that the omission of Leith from Scotland's development area should redound to the advantage or disadvantage of neighbouring counties, notably East Lothian.

Mr. Darling: To extend the Development Areas to include places such as Leith (and Edinburgh) would not in my view be to the advantage of the country as a whole nor of East Lothian.

# Danish Poultry (Dumping)

53. Mr. Kimball asked the President of the Board of Trade if he has accepted the application by the Duck Producers Association, the National Farmers' Union and the National Association of Poultry Packers regarding the dumping of surplus poultry at low prices in the United Kingdom by Denmark; and when he will take action to prevent further dumping.

Mr. Darling: I have nothing to add to the reply given to the hon. Member yesterday.

### British Overseas Engineering Services Bureau

56. Mr. Onslow asked the President of the Board of Trade what financial support is being provided to the British Overseas Engineering Services Bureau.

Mr. Mason: The Government are providing a grant of up to £13,125 in a full year towards the Bureau's running costs and a grant of up to £100,000 annually towards the costs in appropriate cases of feasibility surveys undertaken by British consultants. Detailed arrangements for the financing of feasibility surveys are still being worked out between the Board of

Trade and the Bureau. The Bureau will also benefit from the arrangements operated by the British National Exports Council for financing overseas missions.

### Industry (Linwood Area)

55. Mr. Buchan asked the President of the Board of Trade what progress has been made towards inducing fresh industry to be established in the Linwood area of Renfrewshire.

Mr. Darling: There has been no new industry established in the Linwood area during the last 12 months, but existing industry in the area generally has continued to expand and unemployment has declined from a rate of 2.4 per cent. in January 1965 to 1.9 per cent. last month.

# Motor Trades (Monthly Turnover Statistics)

57. Mr. Boardman asked the President of the Board of Trade what percentage of motor traders are now submitting figures relating to monthly turnover to the statistics division of his Department.

Mr. Darling: About  $4\frac{1}{2}$  per cent. by number, accounting for about 16 per cent. of the total turnover of the motor trades.

#### **Computers (Investment Grants)**

58. Mr. Walters asked the President of the Board of Trade, in view of the recently announced incentives for purchasing computers, if he will state the specific lines within this category that will qualify for the additional allowance, in particular with regard to the inclusion of software.

Mr. Darling: Further information on this subject will be given in the announcement about various aspects of the scheme of investment grants which my right hon. Friend hopes to make within the next few weeks.

## Council Offices, Kingston-upon-Thames

59. Mr. Boyd-Carpenter asked the President of the Board of Trade why he refused permission to the council of the Royal Borough of Kingston-upon-Thames to build the extension of their offices necessitated by the greater size and responsibilities of the borough resulting from the London Government Act; what estimate he made of the additional administrative and other costs resulting

from dispersal and the renting of office space and other buildings; and what addition this will make to the rate burden on the citizens of the borough.

Mr. Darling: My right hon. Friend was not satisfied that suitable alternative accommodation could not be found. No estimate was made of extra cost because this is not the ground on which these matters have to be decided.

# Professions (Degrees Without Examinations)

61. Mr. John Hall asked the President of the Board of Trade if he will introduce legislation to protect the public from the activities of organisations which offer degrees without examinations or other tests of professional competence for accountants, auditors, secretaries, estate agents and valuers.

Mr. Darling: If the hon. Member will supply details of the cases which he has in mind. I will look into them.

## Industrial Materials and Foodstuffs (Import Costs)

62. Mr. Shinwell asked the President of the Board of Trade what was the average increase in cost of raw materials and foodstuffs imported into the United Kingdom in 1965; and to what extent this caused an increase in average prices in the country.

Mr. Darling: The average cost of industrial materials and foodstuffs imported into the United Kingdom in 1965 was about ½ per cent. more than in 1964 and about 4 per cent. more than in 1963. The rise in these costs contributed only a small part to the increase in average retail prices last year compared with 1964.

#### **Tourist Industry**

63. Mr. Chichester-Clark asked the President of the Board of Trade what plans he has for the tourist industry, in particular with regard to the encouragement of catering facilities and hotels.

Mr. Mason: I would refer the hon. Member to the Answer given on 31st January to the hon. Member for Bournemouth, West (Sir J. Eden).

# Development Areas (Assistance)

64. Mr. Box asked the President of the Board of Trade how many applications for assistance to establish new businesses in the development areas defined by the Local Employment Acts have been received since 1st November 1964; how many have been approved; and whether he will give a breakdown of the totals by regions.

Mr. Darling: Between 1st November, 1964, and 31st December, 1965, offers of assistance under the Acts were made to 240 new projects. Similar information is not readily available in relation to the number of applications. The regional analysis of the offers of assistance is:—

Northern Region		70
North-Western Region		31
South-Western Region		17
Scotland		98
Wales	110	24

# Electricity Supplies (Aberdeen)

65. Mr. Hector Hughes asked the President of the Board of Trade what are his plans for using electric power from the new generating plant recently established at Dounreay to expand existing industries and to establish new productive factories in the City of Aberdeen.

Mr. Darling: Electricity supplies from the project announced by my right hon. Friend the Minister of Technology last week will not be available for some years. I understand, however, that there are ample existing supplies for industrial use in Aberdeen which is in a development district where I am already actively encouraging industrial expansion.

### Building and Construction Industry (Investment Incentives)

66. Mr. Chichester-Clark asked the President of the Board of Trade what estimate he has made of the effect on the building and construction industries of the new investment incentives.

Mr. Darling: Plant and machinery used by the building and construction industry will be eligible for the increased rate of initial allowance of 30 per cent. It is not possible to make any precise estimate of the effect of the new system on these industries.

## Ship Repairing Industry (Pilot Study)

67. Mr. Box asked the President of the Board of Trade whether he will publish the recent departmental report prepared on the ship repairing industry.

68. Mr. Ian Lloyd asked the President of the Board of Trade whether he will publish the report on the inquiry his Department has conducted into the British ship repairing industry.

Mr. Mason: The pilot study undertaken by my Department of factors affecting demand on the United Kingdom ship repairing industry is to serve primarily as a basis for discussion with the industry about its prospects. It is not intended that the study should be published.

Mr. Box asked the President of the Board of Trade whether he will submit his departmental report on the ship repairing industry to the Royal Commission on Trades Unions.

Mr. Mason: The pilot study undertaken by the Board of Trade dealt primarily with factors affecting demand on the United Kingdom ship repairing industry. It would not, therefore, be appropriate to submit this report to the Royal Commission on Trades Unions.

### Development Area, South-West Lancashire

69. Mr. Spriggs asked the President of the Board of Trade when he expects to place the proposed changes in the development area of South-West Lancashire, which include St. Helens, before the House; and if he will make a statement.

Mr. Darling: The Bill which my right hon. Friend proposes to introduce this Session will provide for the designation of the Development Areas.

# Fishing Vessel "Admiral Rodney"

71. Mr. Hector Hughes asked the President of the Board of Trade if he will make a statement on the disaster to the Aberdeen trawler "Admiral Rodney", near Scalloway Harbour, Shetland, on or about 23rd January, indicating the cause and extent of the disaster and the damage to the vessel and crew.

Mr. Mason: At 9.45 a.m. on 23rd January the 249 gross ton fishing vessel "Admiral Rodney" ran aground on rocks at Port Arthur at the entrance to Scalloway Harbour. A week later she refloated herself under her own steam. There were no casualties. I do not know the full extent of the damage to the ship.

Written Answers

# Overseas Trade (Exports to Africa)

Mr. Maxwell asked the President of the Board of Trade what was the estimated total value of United Kingdom exports to Africa in 1965; and what percentage this represents of United Kingdom total overseas trade.

Mr. Mason: £614 million and 13 per cent.

#### Development Districts (Day Nurseries)

Mr. Urwin asked the President of the Board of Trade if he will seek powers to provide children's nursery accommodation near factory sites in development areas, in order to encourage more married women to enter into employment.

Mr. Darling: I am advised that my right hon. Friend has the necessary powers to provide day nurseries on Board of Trade industrial estates in development districts.

#### Anglo-Danish Trade

Mr. Baker asked the President of the Board of Trade what was the net United Kingdom balance of trade with Denmark in 1965; and what steps he is taking to improve trade with Denmark.

Mr. Mason: In 1965 United Kingdom imports from Denmark (valued c.i.f.) exceeded exports and re-exports (valued f.o.b.) by £67 million. Denmark offers a good market for British exports, and a wide range of Government services is available to firms who wish to take advantage of these opportunities.

#### Latin America (British Exports)

Mr. Wingfield Digby asked the President of the Board of Trade what plans he has for increasing trade with South America, following the Foreign Secretary's visit.

Mr. Mason: My right hon. Friend the Foreign Secretary discussed opportunities

for increasing British exports to Latin America with the Governments of each of the countries he visited and with local business interests. The Board of Trade is exploring these opportunities further with British manufacturers. All the normal Board of Trade and E.C.G.D. facilities are available for exports to Latin America.

### Development Area, Dorset

Mr Wingfield Digby asked the President of the Board of Trade why Dorset has not been included in the extended development areas, in view of its lack of new industries.

Mr. Darling: The economic circumstances of Dorset do not justify making it a Development Area.

### Tripoli Trade Fair

Mr. Page asked the President of the Board of Trade what encouragement and assistance he is giving to British firms to exhibit at the trade fair in Tripoli.

Mr. Mason: The Board of Trade is in consultation with the British National Export Council about participation in the 1967 Tripoli Fair. If there is sufficient interest on the part of industry the Board will organise and contribute to the cost of a British pavilion.

#### **Monopolies Commission (Powers)**

Mr. Biggs-Davison asked the President of the Board of Trade if he will take steps to widen the powers of the Monopolies Commission so that it could consider the creation of such bodies as the Industrial Reorganisation Corporation.

Mr. Darling: No.

# EDUCATION AND SCIENCE

#### **Public Schools Commission**

72. Mr. Park asked the Secretary of State for Education and Science, when he will announce the names of the members of the Public Schools Commission.

Mr. Crosland: The Chairman, Sir John Newsom, has already been appointed. I can now inform the House that Professor David Donnison, Professor of Social Administration at the London School of Economics, has accepted my

invitation to serve as Vice-Chairman. Thirteen members have also accepted invitations to serve on the Commission.

In addition I intend to invite an industrialist to become a member. I hope to announce his name soon.

The following is the list of members:

Dame Kitty Anderson, former Headmistress, North London Collegiate School.

Lord Annan, Provost of King's College, Cambridge.

Dr. Kathleen Bliss, General Secretary, Church of England Board of Education.

Mr. Nigel Cook, Chairman, City of Birmingham Education Committee.

Mr. J. C. Dancy, Master, Marlborough

Dr. T. E. Faulkner, Convener, City of Dundee Education Committee.

Dame Anne Godwin, former General Secretary, Clerical and Administrative Workers' Union.

Mr. W. S. Hill, Headmaster, Myers Grove Comprehensive School, Sheffield.

Mr. T. E. B. Howarth, High Master, St. Paul's School.

Dr. H. G. Judge, Headmaster, Banbury Grammar School.

Mr. G. H. Metcalfe, Director of Education, Durham County Council.

Mr. John Vaizey, Fellow of Worcester College, Oxford.

Professor Bernard Williams, Professor of Philosophy, Bedford College.

The Secretary of the Commission will be Mr. G. F. Cockerill, Department of Education and Science.

## University Teachers (Salaries)

74. Lady Tweedsmuir asked the Secretary of State for Education and Science whether he is aware of the concern of university teachers at the delay in answering their pay claim, which was submitted in January, 1965; and what action he will take.

Mr. Crosland: I would refer the noble Lady to my Answer yesterday to my hon. Friend, the Member for Durham, North-West (Mr. Armstrong).

#### Young People's Organisations (Grants)

73. Mr. Woodhouse asked the Secretary of State for Education and Science whether he will take steps to authorise grants to be made to organisations catering for young people under 14 years of

age, such as the Boy Scouts and Girl Guides, on lines similar to those made for the benefit of young people of 14 years and over under the terms of the Albemarle Report.

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Mr. Denis Howell: A number of organisations with members outside the generally accepted Youth Service agerange, including the Boy Scouts and Girl Guides, already receive grants under the Social and Physical Training Regulations, 1939.

#### Lawson Tait Memorial Trust

Mr. Hobden asked the Secretary of State for Education and Science in view of the value of the work being done by the Lawson Tait Memorial Trust on the curing of human disease, if he will give financial assistance to this organisation.

Mr. R. E. Prentice: No. The Medical Research Council, which is the main Government agency for the promotion of medical research, gives financial support to approved projects; but neither the Government nor the Council contributes to voluntary fund-raising organisations as such. The Council is always ready to consider on merits any application for grant-support for a specific project, whether with the backing of the Lawson Tait Memorial Trust or otherwise.

#### Students' Grants (Parental Contribution)

Mr. Russell Johnston asked the Secretary of State for Education and Science what would be the cost of abolishing the parental contribution for students over the age of 21 years.

Mr. Crosland: Of the order of £6 to £7 million a year in 1965-66 for Great Britain.

### Handicapped Children

Mr. Alan Williams asked the Secretary of State for Education and Science what research is being undertaken into the learning processes of the various categories of handicapped children.

Mr. Denis Howell: The following research projects connected with the learning processes of handicapped children are at present being sponsored by this Research is also being Department.

sponsored by voluntary organisations and by universities from their own funds, as well as by local education authorities in their schools and clinics.

Written Answers

The Medical Research Council undertakes and supports related research as part of its wider work on physical and psychiatric disability.

Investigator and Institution

Professor M. M. Lewis, Nottingham Institute of Education.

Professor C. Gittins, Swansea Department of Education.

Worster-Drought, Moor House Special School.

Dr. G. E. R. Burroughs, Birmingham Departof Education.

Professor J. Tizard, A study of medical, London Institute of Education.

Professor G. P. Meredith, Research into the treat-Leeds Department of Psychology.

Professor I. G. Taylor, Manchester Depart-ment of Audiology and Education of the Deaf.

Project

Language development in deaf children in relation to their social, emotional and ethical development

Research into the teaching of educationally sub-normal children.

Analysis of material on speech defects ob-tained from school records.

A study of the development of language and thinking in E.S.N. children.

psychological and social factors contributing to educational retardation.

ment of dyslexia.

Study of the teaching of reading to deaf children.

Mr. Alan Williams asked the Secretary of State for Education and Science (1) what shortages of specialist teachers of handicapped children there are in Swansea, Wales and England, respectively;

(2) if the annual intake of specialist teachers of handicapped children is adequate to meet the need for such teachers.

Mr. Denis Howell: Additional qualifications are a statutory requirement only for teachers of blind and deaf and partially hearing children.

In England and Wales the supply of trained teachers of the blind is sufficient to meet the demand, but there is still a shortage of teachers of deaf and partially hearing children. A further training course for this kind of teacher was started last September at the London Institute of Education and the question of increasing the number of places at this course is now being discussed with the University authorities.

In Swansea there is only one vacancy which is for a peripatetic teacher of the deaf.

#### HOME DEPARTMENT

### Dangerous Substances (Carriage By Road)

75. Mr. McNair-Wilson asked the Secretary of State for the Home Department if he has now received the report of the Standing Committee on Dangerous Substances relating to the carriage by road of dangerous substances; and if he will make a statement.

Mr. Roy Jenkins: I have nothing to add at present to the statement my hon. Friend made on 19th November last in reply to a similar Question by my hon. Friend the Member for Stockport, North (Mr. Gregory).

### Eastern Europeans (Work Permits)

76. Mr. David Steel asked the Secretary of State for the Home Department since what date citizens of Poland and other Eastern European countries have been refused permanent working permits in this country; and if he will now lift this restriction.

Mr. Roy Jenkins: There has not been any flat prohibition of employment of these nationals, but for many years permits have in general been granted only to those who are considered to possess some special skill or qualification. In addition short-term permits are granted to categories such as entertainers, volunteer agricultural workers, and girls coming for domestic employment. I do not propose, for the time being at any rate, to make any general change in the arrrangements.

#### Toy Pistol (Import)

77. Dame Joan Vickers asked the Secretary of State for the Home Department if he will stop the importation of the Sekiden Automatic S.A.P.50 pistol, made in Japan and sold in this country in toy shops, a sample of which has been sent to him, as they fall within the category of toys likely to cause physical harm to children.

Mr. Roy Jenkins: I have no power to prohibit the importation of this toy. I am prepared to seek the withdrawal from sale of any toy which presents a serious hazard of any kind, but I am not at present convinced that such action would be justified in this case.

## Criminal Statistics

78. Mr. Deedes asked the Secretary of State for the Home Department when he expects to be able to publish criminal statistics for 1965.

Mr. Roy Jenkins: I hope to publish the Criminal Statistics in July. Statistics of indictable offences known to the police are expected to be ready in March.

# **Prisoners (Marriage Regulations)**

79. Mr. Garrett asked the Secretary of State for the Home Department if he will amend the Prison Regulations concerning the necessity of pregnancy before consent is given to the marriage of a person in custody in Her Majesty's Prison.

Miss Bacon: Under existing policy a prisoner may be temporarily released to marry only if this will enable the prisoner's child, already conceived, to be born in wedlock, or will legitimise a prisoner's child already born. In those cases the welfare of the child is the paramount consideration, and my right hon. Friend is not convinced that in present circumstances he would be justified in allowing prisoners to marry other than for these reasons.

## Crime (Eastbourne, Brighton and East Sussex)

80. Sir C. Taylor asked the Secretary of State for the Home Department whether he will now give the figures requested on 1st February about crime in Eastbourne, Brighton and East Sussex; when the chief constables concerned were asked by his Department to supply the information; and when their replies were received.

Miss Bacon: I have written to the hon. Member giving him the figures. The chief constables concerned were asked on 10th February to supply the information; the replies were received on 13th February from one chief constable and on 16th February from the other two.

#### Fireworks (Injured Persons)

Mr. Costain asked the Secretary of State for the Home Department what is the number of serious injuries resulting from accidents caused by fireworks for the latest period for which figures are available.

Mr. Roy Jenkins: The table below analyses in various ways the information obtained from hospitals in England and Wales relating to the 2,339 persons who received hospital treatment for injuries caused by fireworks between 17th October and 13th November, 1965. Figures are given also for the comparable four-week periods in 1964, 1963 and 1962, when the total numbers of persons involved were 2,220, 2,461 and 2,832 respectively.

Although there was unfortunately a small increase, as compared with 1964, in the total number of injuries of all kinds, the figures in Part F of the table show that there was a welcome reduction of 35 per cent. in the number of severe injuries.

FIREWORKS INJURIES	IN	ENGLAND	AND	WALES
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								1965	1964	1963	1962
A. PLACE WHERE INJU	RY OCC	CURRED									
(i) Family or priva	ite par	ty	***	***		***	***	973	969	1144	1200
(ii) Public or semi-			n park	or op	en spac	e		411	340	372	531
(iii) Casual incident						***	***	463	624	717	816
(iv) Other places								149	131	89	164
(v) Unknown		***						343	156	139	124
The second second											
								618	723	885	1236
	***	***	***	***	***	***	***	357	335	280	266
(ii) Rocket	***	***	***		***	***	***	124	166	237	270
(iii) Jumping cracke		D		***	***	***	***	407	373	447	483
(iv) Display firewor					C						
(v) Other than abo	ve (inc	luding	nome-	-made	nrework	9	***	390	230	181	206
(vi) Unknown	***		***	***	***	***	***	443	393	431	371
C. CIRCUMSTANCES LE	ADING	TO INJ	URY								
(i) Ignition in pocl	ket	***	***		***		***	52	59	78	157
(ii) Accidental ignit	tion in	box or	conta	iner			***	93	104	80	115
(iii) Examining firey	work a	fter fau	lty or	delaye	d ignition	on		219	258	302	371
(iv) Holding firework								432	401	548	570
(v) Deliberate misu			***		***			582	505	545	645
(vi) Other causes								500	551	555	637
(vii) Unknown					***			461	342	353	337
							A 8.8.2				
D. AGE GROUP OF PER	SON IN	JURED						457	126	398	418
(i) Over 21	***	***	***		***	***	***		436		
(ii) 16–20	***	***	***	***	***	***	***	197	174	222	264
(iii) 13–15	***	***		***	***	***	***	413	389	509	664
(iv) Under 13	***	***	***		***	***	***	1272	1221	1332	1486
E. NATURE OF INJURY											
(i) Eve		***	***	***	***	***	***	797	749	916	1038
(ii) Face					***			543	481	493	642
(iii) Hand								816	707	027	070
(iv) Other parts of	***	***		***	***	***	***	010	101	827	978
11VI Other parts of								505	518	518	687

(These figures total more than the total of persons injured because some victims received injuries in two or more of the categories).

						1965	1964	1963	1962
F.	SEVERITY OF INJU	RY							
	(i) Died	***	 ***		 	 0	2	0	0
	(ii) Admitted to h	nospital	 		 	 213	241	332	483
	(iii) Not admitted		it injury	severe	 ***	 163	336	387	505
	(iv) Minor injury		 		 ***	 1884	1609	1729	1828
	(v) Unknown		 		 ***	 79	32	13	16

#### Charities (House-to-House Collections)

Mr. Woodhouse asked the Secretary of State for the Home Department whether he will introduce legislation to improve and to co-ordinate on a national basis the control over house-to-house collections for charitable causes.

Mr. Roy Jenkins: No. There is need to co-ordinate the activities not only of those charities which undertake collections on a national scale but of many smaller ones which collect only locally. This cannot be done centrally. I believe that it can most effectively be done, as

now, by the police authorities through processes of consultation, which I shall continue to encourage.

# Illegal Abortion (Prosecutions)

Mrs. Renée Short asked the Secretary of State for the Home Department how many prosecutions there have been for illegal abortion during each of the past five years; and how many convictions were obtained.

Miss Bacon: In the Criminal Statistics the offences of procuring an abortion-Section 58 of the Offences against the Person Act, 1861—and of supplying or procuring poison or instruments for the purpose of an abortion-Section 59 of the Act of 1861—are grouped together. The number of persons proceeded against and the numbers of persons convicted for these offences are given in the table below for the years 1960 to 1964. The figures for 1965 are not yet available.

	Year	Number of persons proceeded against	Number of persons convicted
1960		 56	42
1961		 58	55
1962	***	 88	82
1963	***	 65	54
1964	***	 80	63

#### Water Heaters

Mr. Hamling asked the Secretary of State for the Home Department what steps his Department is taking to warn the public against the purchase of dangerous water heaters such as that of which the name has been supplied to him.

Mr. Roy Jenkins: The principal danger of these appliances comes from their use in bathrooms, where, as is well known, portable electrical appliances of any kind offer a special risk. The firm which manufactured the heater referred to by my hon. Friend is now in liquidation. I shall keep under review the possible need for action in respect of any other appliances of this kind.

#### BRITISH GUIANA

#### Elections

81. Mr. Hugh Jenkins asked the Parliamentary Under-Secretary of State for the Colonies if she is satisfied that conditions in British Guiana are such that free and fair elections will take place after independence; and if she will make a statement.

Written Answers

Mrs. White: I have no reason to suppose that conditions in Guyana will prevent the holding of free and fair elections.

## SOUTH ARABIA

# Constitutional Proposals

82. Mr. Fisher asked the Parliamentary Under-Secretary of State for the Colonies whether she will publish or place in the Library the constitutional proposals for the independent unitary State of South Arabia which have recently been dispatched to Al Ittihad.

83. Sir P. Agnew asked the Parliamentary Under-Secretary of State for the Colonies when, and in what form, constitutional proposals for the South Arabian Federation will be made available to hon. Members.

Mrs. White: The report of the two constitutional advisers commissioned by the Government of the Federation of South Arabia was published by that Government on 13th February. I have arranged for copies of the report and of a related statement by the Supreme Council of the Federation to be placed in the Library of the House.

#### BARBADOS

#### Independence Conference

Mr. Fisher asked the Parliamentary Under-Secretary of State for the Colonies whether a reply has been sent to the Barbados Government's request for a conference to discuss independence; when and where this conference will take place; and who has been invited to attend.

Mrs. White: A reply has been sent proposing that the conference should open in London on 13th June. In accordance with normal precedents at such conferences, my noble Friend has invited the Premier and the leaders of the two opposition parties with seats in the Legislature to attend and bring representatives of their parties.

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#### **ECONOMIC AFFAIRS**

## Industrial Reorganisation Corporation

84. Mr. Gower asked the First Secretary of State and Secretary of State for Economic Affairs what is the estimated cost of administration of the proposed Industrial Reorganisation Corporation; and how many people will be employed

Mr. Albu: It is too soon to make any such estimates.

## Development Areas

85. Mr. Rhodes asked the First Secretary of State and Secretary of State for Economic Affairs what policy is being pursued by his Department in place of the concept of the growth zone; what reasons have led him to change the previous policy; and whether he will make a statement.

Mr. Albu: Our aim is to make full use of the resources of the whole Northern Region, on the basis of the plans which the Economic Planning Council and Board are preparing. Our new development areas will give industrialists much more freedom than in the past to go to places which they consider to offer favourable conditions for future growth.

#### National Board for Prices and Incomes (Staff)

Mr. Peter Walker asked the First Secretary of State and Secretary of State for Economic Affairs what is the present staff of the National Board for Prices and Incomes; and what estimate he makes of the likely increase in the staff of that board during the next 12 months.

Mr. Albu: On 1st February, 1966, the staff of the Board was 103. The estimate for the financial year 1966-67, which will shortly be presented to Parliament, provides for the staff to increase to 121.

## AGRICULTURE, FISHERIES AND FOOD

#### Live Animals (Export)

86. Mr. Bessell asked the Minister of Agriculture, Fisheries and Food what steps he will now take to ensure that live animals exported from this country are treated with humanity and that there is no suffering to these animals in transit.

Mr. John Mackie: The conditions under which live horses, cattle, sheep and pigs may be shipped for export are subject to control in the interests of animal welfare by Orders under the Diseases of Animals Act, 1950. We hope shortly to consolidate and amend the Orders relating to horses.

In addition, live cattle, sheep and pigs for immediate slaughter may only be exported to countries whose Governments have given what are known as the Balfour assurances as to their welfare.

## **Meat Inspection**

Mr. Brian Harrison asked the Minister of Agriculture, Fisheries and Food whether he will now announce the result of his review into the problem of meat inspection in local authority areas; and if he will make a statement.

Mr. Peart: I am today issuing proposals to amend the Meat Inspection Regulations as a further step towards achieving the 100 per cent. inspection of meat before it leaves the slaughterhouse.

The main effect of my proposals would be that, subject to a right of appeal in individual cases, local authorities would be empowered to control the hours during which slaughter may take place in private slaughterhouses in their districts. No change is proposed in the power of local authorities to make charges for meat inspection.

I further propose that my veterinary officers' advisory service to local authorities shall be intensified with a view to promoting uniformly high standards of meat inspection.

I have invited interested organisations and others to comment on these proposals by the end of April, 1966.

#### MINISTRY OF HEALTH

## Imported Drink Coolers

87. Mr. J. H. Osborn asked the Minister of Health if he will take steps by way of legislation to enable him to ensure that freezing balls imported from overseas territories, including Hong Kong, are so tested that the water or fluid in them is either bacteria-free or of a purity not harmful if accidentally consumed by those who use them, to define a quality which is acceptable, and to provide for the inspection of manufacture in factories making freezing balls, pink elephants, and similar products, to ensure a satisfactory quality before allowing importation into this country.

Mr. Loughlin: No. As I explained to the right hon. Gentleman the Member for Sutton Coldfield (Mr. Geoffrey Lloyd) on 7th February, the Hong Kong Government has asked manufacturers and exporters temporarily to suspend production and export. I understand that that government is drawing up a code of practice covering the cleanliness of both the manufacturing process and the workers. My right hon. Friend proposes to keep the matter under review.

Statuto

Statutes (Departmental Responsibility)

Mr. Howe asked the Minister of Health whether he will publish in the OFFICIAL REPORT a table which sets out the Statutes whose enforcement or operation falls within the responsibility of his Department or of local or other public authorities under the guidance or surveillance of his Department and which provide for the licensing, registration or inspection of persons, premises or institutions of a particular kind, identifying in each case the authorities or persons by whom such licensing, registration or inspection is to be effected, and stating in each case the extent to which he is satisfied that the processes of licensing, registration and inspection are being completely and effectively carried out.

Mr. Loughlin: Powers or duties exist under the following Statutes:

Authority or persons with

Statute	Subject	relevant duties or powers			
Anatomy Acts, 1832 and 1871	<ul><li>(a) Licences to practise anatomy,</li><li>(b) Inspection of places where anatomy is practised.</li></ul>	Minister of Health. Inspectors appointed by Minister of Health.			
Public Health Act, 1936, and Mental Health Act, 1959.	(a) Registration of nursing homes and mental nursing homes.	County, county boroughs and London borough councils and Common Council of the City of London.			
	(b) Inspection of nursing homes	Medical Officers of Health of registration authority or quali- fied nurse or other authorised officer.			
	(c) Inspection of mental nursing homes,	Persons authorised by Minister of Health or by registration authority.			
Public Health Act, 1936	Medical inspection of ships, aircraft and persons.	Medical Officer of port health authorities and local authorities responsible for health control at airports.			
National Health Service Act, 1946.	Inspection of surgeries etc., of practitioners providing services under Part IV of the Act.	Members or officers of Executive Councils, Local Medical Com- mittees or Ophthalmic Services Committees, or medical or dental officers appointed by the Minister.			
National Assistance Act, 1948, and Mental Health Act, 1959.	<ul> <li>(a) Registration of disabled persons' or old persons' homes or residential homes for mentally disordered persons.</li> <li>(b) Inspection of such homes</li> </ul>	County, County borough and London borough councils and Common Council of City of London. Persons authorised by Minister of Health or registration authority.			
National Assistance Act, 1948	Registration of charities for dis- abled persons.	County, county borough and London borough councils and Common Council of City of London.			
Nurseries and Child-Minders Regulation Act, 1948.	(a) Registration of nurseries and child minders.	Local health authorities, i.e. county, county borough and London borough councils and Common Council of City of London.			
Sin-spiral by Harris and	(b) Inspection of premises and children.				

Subject

299 Written Answer	s 17 FEBRUARY 1966	Written Answers 300			
Statute	Subject	Authority or persons with relevant duties or powers			
Midwives Act, 1951	Certification of midwives and inspection of training institutions.	Central Midwives Board.			
Food and Drugs Act, 1955	(a) Registration of certain food premises.	Borough, urban district and rural district councils, and Common Council of City of London,			
	(b) Inspection for purposes of enforcement of the Act.				
Therapeutic Substances Act, 1956.	(a) Licensing of manufacturers and importers of specified bio- logical substances.	Minister of Health.			
	(b) Inspection of premises used for this purpose.	Persons authorised by Minister of Health.			
Nurses Agencies Act, 1957	(a) Licensing of nurses agencies	County, county borough and London borough councils and Common Council of City of London.			
	(b) Inspection of nurses agencies	Registered nurse or other officer authorised by licensing authority.			

Nurses Act, 1957, and 1964 ... Registration and enrolment of General Nursing Council. nurses, and inspection of training institutions.

by local health authorities for mentally disordered persons.

mentally disordered person is living not under proper care.

... (a) Inspection of premises provided

Officers of the Minister of Health authorised for this purpose.

(b) Inspection of premises in which Mental Welfare Officers of local health authority.

We have no reason to think that these powers are not being effectively exercised when necessary.

# **Vehicle Exhaust Fumes (Deaths)**

Mental Health Act, 1959

Mr. Hobden asked the Minister of Health if he will give an estimate of deaths in this country caused annually by vehicle exhaust fumes.

Mr. K. Robinson: The numbers of deaths in England and Wales assigned in recent years to I.C.D.\* category E.891, "Accidental poisoning by motor vehicles exhaust gas", are as follows:

1961 1962 1963 1964 1960 12 15 17 23

In the same years, the following numbers of deaths were assigned to I.C.D.\* category E.973, "Suicide and self-inflicted injury by other gases":

1964 1961 1962 1963 102 119 117 125 143 \* International Classification of Diseases.

It is known that the great majority of these deaths were caused by motor vehicle exhaust gas.

## Health and Welfare Services (Yorkshire and Humberside)

Mr. Duffy asked the Minister of Health what was the public expenditure on 11 Q 37

health and welfare in Yorkshire and Humberside for 1964-65; and what percentage proportion this was of the total for the United Kingdom, in view of the fact that the region's population represents 8.9 per cent. of the whole.

Mr. K. Robinson: Estimated health and welfare expenditure on hospital building and other new construction in 1964-65 in Yorkshire and Humberside amounted to £10·1 million, which represented 12.1 per cent. of the Great Britain total. An apportionment of other health and welfare expenditure is not readily available.

#### **Family Planning**

Miss Quennell asked the Minister of Health how many National Health Service patients received contraceptive devices during the past year, to the nearest convenient date; and to what extent it is his policy to widen this part of the National Health Service.

Mr. K. Robinson: I regret that this information is not available. I am writing today to local authorities urging them to develop their family planning services as far as existing powers permit.

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#### HOSPITALS

## Leicester Area Hospital Service

88. Mr. Wyatt asked the Minister of Health whether he has now studied the evidence on the deficiencies in the Leicester area hospital service, sent to him by the hon. Member for Bosworth; what action he is taking with respect to it; and whether he will make a statement thereon.

Mr. K. Robinson: Yes. I would refer my hon. Friend to my replies to the hon. Member for Harborough (Mr. Farr) and my hon. Friend the Member for Leicester, North-West (Sir B. Janner), and to the hon. Member for Leicester, South-East (Mr. Peel), on 14th February, and to a statement made by the Chairman of the Sheffield Regional Hospital Board on the same day. I have also written to my hon. Friend.

# Hospitals, Swansea (Accommodation for Mothers)

Mr. Alan Williams asked the Minister of Health which hospitals in Swansea offer accommodation for mothers to spend the night with their children.

Mr. K. Robinson: In an emergency, arrangements are made at Swansea hospitals to accommodate mothers. In Morriston Hospital a room is available for this purpose.

# Chronic and Elderly Sick, Nottingham (Beds)

Mr. Dunnett asked the Minister of Health if he is aware that for the Nottingham area there are only 640 beds available in hospitals for the chronic and elderly sick, being an average of 0.9 beds per 1,000 population, and that this is below the national average of 1.28 and well below his Department's recommended standard of 1.4; and what plans he has to make available further accommodation of this type in the area.

Mr. K. Robinson: The current number of beds available for geriatric and elderly chronic sick patients in the Nottingham area of the Sheffield hospital region is 643, which is approximately 8 per 1,000 persons aged 65 or over in the area. The standard of provision which I commended to Hospital Boards

for planning purposes is 10 such beds per 1,000 persons aged 65 or over. I am considering the Sheffield Regional Hospital Board's proposals for increasing the geriatric provision in the Nottingham area as part of my review of the Hospital Plan, on which I hope to report before the end of June.

# South Western Regional Hospital Board Area (Waiting Lists)

Mr. Hopkins asked the Minister of Health what is the present waiting list for hospitals in the South Western Regional Hospital Board area; and how many new beds are expected to become available in the current programme.

Mr. K. Robinson: 40,762 (excluding maternity) at 31st December last. The hospital building programme for all regions are currently under review.

## NATIONAL FINANCE

## Dog Licences

90. Sir M. Galpern asked the Chancellor of the Exchequer if he will take steps to abolish the dog licence fee either generally or for old-age pensioners.

Mr. Diamond: The Government's review of local authority finance includes all licence and registration fees for which local authorities are responsible, including the dog licence. I cannot say at this stage what the outcome will be.

91. Sir M. Galpern asked the Chancellor of the Exchequer if he will seek to provide that the proceeds from dog licences in Scotland accrue to local authorities as they do in England and Wales.

Mr. Diamond: This is being considered in the Government's review of local authority finance.

# Government Departments (Advertising and Publicity Costs)

Mr. Fell asked the Chancellor of the Exchequer what were the total amounts spent by Government Departments on all forms of advertising and publicity in each of the years from 1960 to 1965; and what percentages of these amounts were spent on television advertising.

Mr. Diamond: Comprehensive information is not readily available precisely in the form requested. I give below in Table A the total provision each year in Estimates shown under the heading Home Information in Table IX (or its equivalent) of the Financial Secretary's annual memoranda on the Estimates, augmented by provision shown elsewhere for com-

mercial publicity. Comparable figures of Estimates provision for television advertising are not available in all cases and therefore actual expenditure figures have been given.

Her Majesty's Government's expenditure in respect of Overseas Information is given in Table B.

						TABLE A
ADVERTISING AN	D FUBLICIT	Y IN THE U	JNITED KI	NGDOM		
	1960-61	1961-62	1962-63	1963-64	1964-65	1965-66
A. Home information Total Estimates provision (includ-						
ing T.V.) £000		4,496	4,855	5,156	6,534	7,960
Television advertising expenditure £000 Percentage of T.V. advertising to	123	652	569	417	772	530
total %	3.3	14.5	11.7	8.1	11.8	6.7
B. COMMERCIAL PUBLICITY Total Estimates provision (includ-						
ing T.V.) £000	578	863	870	1,317	1,712	2,023
Television advertising expenditure £000 Percentage of T.V. advertising to	-			104	49	27
total %	D772-4	115	_	7.9	2.9	1.3
C. BOTH CATEGORIES A AND B Total Estimates provision (includ-						
ing T.V.) £000		5,359	5,725	6,473	8,246	9,983
Television advertising expenditure £000 Percentage of T.V. advertising to	123	652	569	521	821	557
total %	2.9	12.2	9.9	8.1	10.0	5.6

#### Notes:

(1) Total Estimates provision includes any supplementary estimates up to 1963-64 inclusive. Supplementary provision in 1964-65 and 1965-66 is not identifiable in this form. Provision for some expenditure which is not strictly publicity is also included, e.g., salaries of information staff not concerned with publicity. The extraneous elements cannot be separated.

(2) Expenditure by Government Departments in connection with overseas trade fairs has not been

included.

(3) Commercial publicity includes that of the Export Credits Guarantee Department, the Public Trustee, the Ordnance Survey, the Post Office and H.M. Stationery Office.

							TABLE B
	. (	VERSEAS II	NFORMATIO	N			
Total Estimates Provision	£000	1960-61 18,070	1961–62 20,740	1962-63 21,220	1963-64 25,781	1964–65 29,329	1965–6 <b>6</b> 29,884

(1) The activities covered by these figures are the operational and staff costs of those Departments and Agencies which are concerned with the projection abroad of the policies, aims and achievements of the United Kingdom. They cover all services of the British Information Services, the B.B.C.'s overseas broadcasts and the work of the British Council.

(2) None of the Overseas Information money was spent on television advertising.

#### RAILWAYS

#### Superannuitants

92. Dame Irene Ward asked the Minister of Transport whether the proposal of the Railways Board to provide cost of living supplements to railway superannuitants will give more or less money than the last two Pensions Increase Acts; and whether there will be a retrospective payment to the date when the Railways Board failed to apply the equivalent of

the Pensions Increase Acts to the railway superannuitants.

Mrs. Castle: The increases under the latest supplementation scheme introduced by the Railways Board are smaller than those prescribed in the Pensions (Increase) Acts. They are retrospective to 1st January, the date on which the provisions of the Pensions (Increase) Act, 1965, came into force. The new scheme is in several respects a considerable improvement on its predecessors.

## Liner Trains

93. Sir Knox Cunningham asked the Minister of Transport what percentage of the loaded containers carried by liner trains last week were paying freight for their respective journeys.

Mr. John Morris: 100 per cent.

## MINISTRY OF POWER

#### Oil (North Vietnam)

94. Mr. Goodhew asked the Minister of Power what is Her Majesty's Government's policy in regard to the sale of oil to North Vietnam.

Mr. Frederick Lee: The same as for sales to other countries of the Sino-Soviet bloc which precludes the sale of certain oil products. In 1965 no oil was exported from this country to North Vietnam and no supplies were made by British international oil companies in the course of their overseas trading.

#### WIRELESS AND TELEVISION

# B.B.C. (Building Projects)

95. Mr. Robert Cooke asked the Post-master-General what steps he proposes to take to ensure that the British Broadcasting Corporation's building expenditure conforms with Government policy.

Mr. Benn: The B.B.C. has agreed that its building projects in the United Kingdom will be subjected to control by me. I shall consult my right hon. Friend the Minister of Public Building and Works, and this control will have the same effect as the licensing controls which, in the Building Control Bill introduced by him, it is proposed to impose on privately sponsored projects.

#### RHODESIA

Mr. Jackson asked the Prime Minister whether he will seek to make a special broadcast to the people of Rhodesia setting out his programme for reconstruction and reconciliation following on the end of Mr. Smith's illegal régime.

The Prime Minister: My statement to the House of 25th January has been

made widely known in Rhodesia but I will certainly bear my hon. Friend's suggestion in mind.

# INDIA (FAMINE RELIEF)

Mr. Jackson asked the Prime Minister whether he will seek to establish a Commonwealth aid programme from Great Britain, Canada, Australia and New Zealand to assist India in the threatened famine.

The Prime Minister: I would refer my hon. Friend to the Answer I gave earlier today to similar Questions by the hon. Member for Lewisham, North (Mr. Chataway) and my right hon. Friend the Member for Derby, South (Mr. Philip Noel-Baker).

#### ROYAL COMMISSION ON THE TRIBUNALS OF INQUIRY (EVIDENCE) ACT, 1921

Mr. S. C. Silkin asked the Prime Minister if he will now announce the names of the Chairman and members of the Royal Commission on the Tribunals of Inquiry (Evidence) Act, 1921.

The Prime Minister: Yes. The Counsellors of State, acting on behalf of Her Majesty The Queen, have approved that the following persons should be appointed members of the Royal Commission to review the working of the Tribunals of Inquiry (Evidence) Act, 1921:

The Right Honourable Lord Justice Salmon (Chairman). Lord Justice of Appeal since 1964. Judge of the High Court of Justice, Queen's Bench Division, 1957-64.

Mr. J. B Butterworth, J.P., Vice-Chancellor of Warwick University since 1963. Fellow of New College, Oxford, 1946-63.

Lord Goodman, Solicitor. Chairman of the Arts Council since 1965.

Mr. W. L. Heywood, Former Secretary of the Dyers', Bleachers' and Textile Workers' Union and of the National Association of Unions in the Textile Trade. A lay member of the Restrictive Practices Court.

The Right Honourable Viscount Stuart of Findhorn, C.H., M.V.O., M.C., Parliamentary Secretary to the Treasury, 1941-45, and Secretary of State for Scotland, 1951-57.

Mr. Dick Taverne, Q.C., M.P., Member of Parliament for Lincoln since 1962.

Professor H. W. R. Wade, LL.D., D.C.L., Professor of English Law, Oxford University since 1961. Member of the Council on Tribunals, 1961 and Relationships Commission, Uganda, 1961.

# MINISTRY OF AVIATION

Written Answers

## B.E.A. Flights (Buses)

Mr. Chichester-Clark asked the Minister of Aviation whether he will issue a general direction to British European Airways instructing it to avoid as far as possible the use of buses in taking passengers out to aircraft at airports.

Mr. Stonehouse: No. This is essentially a matter of airline management but the hon. Member may rest assured that B.E.A. is opposed to the use of airside buses except where their use is unavoidable.

#### RHODESIA

## **British Companies**

Mr. Box asked the Secretary of State for Commonwealth Relations if he is aware that there is doubt as to whether British companies operating in Rhodesia and paying taxes to the illegal government are committing an unlawful act by giving financial support to that government; and if he will introduce legislation to clarify the position.

Mr. Bottomley: I think that the British companies themselves are well aware what their position is and I see no need for any legislation.

#### MINISTRY OF DEFENCE

#### Recruits (Northern Ireland)

Mr. Pounder asked the Secretary of State for Defence how many applications were received by the Army careers office in Northern Ireland during 1965 and 1964, respectively; and how many of these applicants subsequently joined the Army in each of these years.

Mr. Reynolds: There were 2,697 applicants in 1964, from whom 1,261 recruits were enlisted and 2,032 in 1965, from whom 1,002 were enlisted. These figures include women, young soldiers, and boys.

Mr. Pounder asked the Secretary of State for Defence how many applications were received by the Royal Air Force careers office in Northern Ireland during 1965 and 1964, respectively; and how many of these applicants subsequently joined the Royal Air Force in each of these years.

Mr. Millan: In 1964 the Belfast Careers Information Centre received 653 applications for enlistment as airmen or airwomen in ground trades and 270 of the applicants subsequently joined the Royal Air Force. The comparable figure for applications in 1965 is 839; 351 of these applicants have so far joined the Royal Air Force. In addition, about 30 of the 1965 applicants are expected to enlist later this year.

Mr. Pounder asked the Secretary of State for Defence how many applications were received by the Royal Navy careers office in Northern Ireland during 1965 and 1964, respectively; and how many of these applicants subsequently joined the Royal Navy in each of these years.

Mr. J. P. W. Mallalieu: 756 applications were received during 1965, resulting in 205 entries. The corresponding figures for 1964 were 800 and 201 respectively.

## Territorial and Auxiliary Forces Association (Redundant Employees)

Mr. Pounder asked the Secretary of State for Defence if he will give an assurance that redundant administrative employees of Territorial Army associations will receive superannuation benefits, as distinct from gratuity terms.

Mr. Reynolds: No. Redundant employees of Territorial and Auxiliary Forces Associations may qualify for superannuation in accordance with the terms of their contributory pension scheme. They may qualify for compensation for loss of earnings on redundancy under a special scheme now in preparation.

#### Royal Naval Armament Depôts

Captain Orr asked the Secretary of State for Defence if he will state the number of Royal Naval Armament Depôts in the United Kingdom, the number in Northern Ireland, the number closed down since 1st January, 1965, and the number proposed to be closed by 1st January, 1967; and how many of the last category are situated in Northern Ireland.

Mr. J. P. W. Mallalieu: There are 17 main and subsidiary Royal Naval Armament Depôts in the United Kingdom, three of which are in Northern Ireland. Two depôts—one in Essex and

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Shropshire—completed their closures after 1st January, 1965. Twentyeight others had been closed over the previous nine years. Apart from the announced closure of the Royal Naval Armament Depôt at Crossgar by 1st October next, there are no plans to close any other depôts before 1st January, 1967.

#### HOME DEPARTMENT

# **Boundary Commissions** (Membership)

Mr. Crawshaw asked the Secretary of State for the Home Department whether he will state the membership of the Boundary Commissions for England, Scotland, Wales, and Northern Ireland constituted under the House of Commons (Redistribution of Seats) Acts 1949 and

Mr. Roy Jenkins: Mr. Speaker is the Chairman of each of the four Commissions. The other members of the Commissions are:

Commission for England

Appointed by

The Honourable Mr. The Lord Chancellor.

Justice Thesiger, M.B.E. (Deputy Chairman)

Mr. Harold Willis, Q.C. The Secretary of State for the Home Depart-

ment.

Sir Harold Banwell ... The Minister of Housing and Local Govern-

Commission for Scotland Kilbrandon (Deputy

The Honourable Lord The Lord President of the Court of Session.

Chairman). Sir Robert Nimmo The Secretary of State Professor A. D for Scotland. Campbell

Commission for Wales The Honourable Mr.

The Lord Chancellor.

Justice Lloyd-Jones (Deputy Chairman). Sir Gwilym Williams ...

The Secretary of State for the Home Department.

Colonel Corbett-Winder The Secretary of State for Wales.

Commission for Northern Ireland

Mr. Justice Lowry The Lord Chief Justice, (Deputy Chairman). Northern Ireland. Mr. W. N. McWilliam, The Secretary of State C.B. for the Home Depart-Mr. J. McMullan, I.S.O. ment.

Mr. Justice Lowry was appointed in February, 1965, until 31st December, 1967. The other appointments have effect until 31st December, 1969.

Written Answers

The Registrar General for England and Wales and the Director General of Ordnance Survey are assessors to the Commissions for England and Wales: the Registrar General of Births, Deaths and Marriages in Scotland and the Director General of Ordnance Survey are assessors to the Commission for Scotland; and the Registrar General of Births, Deaths and Marriages for Northern Ireland and the Commissioner of Valuation for Northern Ireland are assessors to the Commission for Northern Ireland.

#### Race Relations Board

Mr. Freeson asked the Secretary of State for the Home Department if he will now state the composition of the Race Relations Board to be set up under the Race Relations Act, 1965.

Mr. Roy Jenkins: I am pleased to be announce that Mr. Mark Bonham-Carter has agreed to serve as Chairman of the Board and Sir Learie Constantine, M.B.E., and Alderman Bernard Langton, this year's Lord Mayor of Manchester, have agreed to serve as members

#### HOUSING

# **High-Density Building**

Mr. Richard asked the Minister of Housing and Local Government whether he is aware of the high-density council housing development now taking place at Reporton-Kilmaine Roads. S.W.6; whether, in the light of that development, he will take steps to ensure that local authorities are made aware of the possibilities of density building in the range of 136 to 175 persons per acre; and whether he will make a statement.

Mr. Mellish: Yes. My right hon. Friend approved this scheme for loan sanction and subsidy purposes on 3rd December, 1965, and he will be interested to see how it works out in practice. Housing authorities in the big cities are in his experience fully alive to the need for a wide variety of solutions to the problems of building to high densities. He does not at present have any plans for giving them specific guidance.

#### PUBLIC BUILDING AND WORKS

# Government Departments (Rented Premises)

Sir E. Errington asked the Minister of Public Building and Works, if he will list the address, area, and rent per annum of all premises of more than 1,000 square feet in area, which have been rented by Government Departments since October, 1964.

Mr. C. Pannell: The Question calls for far more detailed investigation at considerable public cost than I would be justified in undertaking.

# Winter Building Precautions

Mr. Geoffrey Lloyd asked the Minister of Public Building and Works what pro-

gress is being made in the adoption by the building industry generally of winter building contracts.

Mr. Boyden: The wider adoption of winter building precautions by the industry generally is a continuing process, and progress continues to be made, but I have nothing to add to the answer I gave to my hon. Friend the Member for Houghton-le-Spring (Mr. Urwin) on 31st January, 1966.

#### ERRATUM

In Official Report, 16th February, 1966, Written Answers, col. 243, in lines 3-4 of Mr. Slater's reply to Mr. Hugh Jenkins, the date should be 31st January.

#### **INWARD TELEGRAM**

TO THE SECRETARY OF STATE FOR THE COLONIES

COPY FOR REGISTRATION FROM HONG KONG (Sir D. Trench

Cypher

D. 25th February 1966

R. 25th

08.05 hrs.

#### CONFIDENTIAL AND GUARD No. 218

Addressed to Colonial Office Repeated "Washington No.59 (Colonial Office please pass) and by saving to Saigon and Singapore

My telegram No.195.

Shipping to North Vietnam.

World-Wide Shipping have reported that the LAUREL and the HAPPY SEAFARER both on charter to Japanese interests, cannot be legally prevented from going to North Vietnam until October and July 1966 respectively at the earliest. When the time comes for the renewal or extension of the charters, World-Wide will attempt to negotiate a clause allowing them to prevent visits to North Vietnam. The charters of GOLDEN ALPHA and KAWANA, both on charter to Japanese interests, have North Vietnamese exclusion clauses and the ships are therefore unlikely to visit North Vietnam before November 1966 and January 1967 respectively.

- Mollers (Hong Kong) Ltd. have assured the Director of Marine that they have no ships scheduled to go to North Vietnamese ports: the ELBOW RIVER should therefore be deleted from the list.
- We have not of course discussed this question with the C.P.G .- controlled shipping interests here.
  - Fuller details follow by bag.

it and at (Passed to D.S.A.O. for repetition Routine to Washington)

Copies sent to:

Foreign Office (S.E.A. Department) - Mr. J.E. Cable

- Miss Pestall

Board of Trade

- Dr. I.S. Russell

Ministry of Defence (D.12)

- Cablegram Section - Lt. Cdr. Sharp



# FROM WASHINGTON TO FOREIGN OFFICE

Cypher/OTP

DEPARTMENTAL

Sir P. Dean

DISTRIBUTION

No. 657

23 February, 1966

D. 0800 24 February, 1966

PRIORITY

R. 0920 24 February, 1966

CONFIDENTIAL

Addressed to Foreign Office telegram No. 657 of

23 February

Repeated for information Saving to: - Saigon

POLAD Singapore

Hong Kong

Shipping to North Viet Nam.

Following from Stewart.

When I called on Mr. Mann (Under Secretary for Economic Affairs) today on other business he raised this subject again. He said that he felt that the situation between us was going to get worse rather than better and he regarded the threat by the maritime unions (my telegrams numbers 610 and 611 - not to all) as a disturbing new development. Past experience gave him no grounds for comfort about this. In relation to the problem of shipping to Cuba a number of ships had in the past been held up by the longshoremen despite the efforts of the Administration. He agreed that the unions had no right to preempt foreign policy in this way but said that editorials in the New York Times to this effect would not influence them in the least. The unions' threat was a new factor since Mr. Rusk's message.

He asked me to urge you to look at the problem again. He could nottell the Congress that the only result of Mr. Solomon's visit to London had been agreement on harassment of ships engaged in the North Vietnamese trade by administrative measures. The State Department inno way under-estimated the political difficulties on the British side, but Her Majesty's Government must for their

AR EASTERN 28 FEB 1966

# Washington telegram No. 657 to Foreign Office

-- 2-

part not under-estimate the reactions of American public opinion to the sight of the British flag in North Vietnamese ports when casualty lists were mounting. The importance of this aspect of the problem far outweighed the value of this shipping trade. Surely the Chinese would understand if we took measures to cut it off. Furthermore, he viewed with apprehension the development of Communist Chinese chartering of vessels of other flags, if it should lead to the Chinese tying up shipping in this way all over the world. Now was the time to put a stop to it before it spread.

- 3. Mr. Mann said that we must also bear in mind that the labour organizations in this country were already attacking President Johnson on other grounds (minimum wage rates, etc). We must not over-estimate the President's influence with the A.F.L./C.I.O. nor Mr. Meany's influence with the longshoremen.
- 4. I undertook to report what Mr. Mann said, I assured him that there was absolutely no misunderstanding in London of the importance of this issue in Anglo-American relations. This Embassy reported fully and promptly all the approaches made to us by the State Department about it and also new developments in congressional and public opinion as well as such things as the threat by the maritime unions. At the same time I reminded him that you had made absolutely clear to Mr. Solomon in London all the difficulties involved from our point of view. You would now be considering Mr.Rusk's message with all the importance it merited and I had no indication of how you would reply. I added that I was very sceptical of the likelihood of the Chinese Communists reacting with any kind of understanding to any direct action against this trade on our part.

/Foreign Office

# Washington telegram No. 657 to Foreign Office

\_3\_

Foreign Office please pass Saving to Saigon 21, POLAD Singapore 20 and Hong Kong 2.

[Copies sent to C.O. for Hong Kong. Repeated to other posts]

# DISTRIBUTED TO

FO General Dept

American Dept

S.E.A.D.

J.I.P.G.D.

I.R.D.

News Dept

CRO Econ. General Dept

F.E. & P.D.

CONFIDENTIAL

bbbbb

# **OUTWARD TELEGRAM**

# FROM THE SECRETARY OF STATE FOR THE COLONIES

# COPY FOR REGISTRATION

TO HONG KONG (Sir D. Trench)

Cypher

Sent 24th February, 1966. 01.20 hrs.

CONFIDENTIAL No. 341

Following telegram of 23rd February from Foreign Office addressed to Washington No. 2082 repeated for information to Hong Kong and saving to Saigon and POLAD Singapore.

Begins.

My immediately preceding telegram: shipping to North Viet-Nam.

Please give the State Department in confidence the information in (i) to (iv) of the first paragraph of Hong Kong telegram No. 195.

Ends.

## **OUTWARD TELEGRAM**

# FROM THE SECRETARY OF STATE FOR THE COLONIES

# COPY FOR REGISTRATION

TO HONG KONG (Sir D. Trench)

Cypher

Sent 24th February, 1966. 01.15 hrs.

No. 340.

Following telegram of 23rd February from Foreign Office addressed to Washington No. 2081 repeated for information Hong Kong and Saving to Saigon and POLAD Singapore.

(59)

Begins.

My telegram No. 1811.

British Shipping to North Vietnam.

Please pass the following reply to Mr. Ruak.

Begins.

"Thank you for your message of 16th February about British shipping and North Vietnam. I am glad you feel that our talks with Mr. Solomon clarified the situation and I am grateful for the way you explained it to the Senate Foreign Relations Committee. I realise the Rhodesian problem complicates matters.

As Mr. Solomon has told you, we are putting pressure on the owners of the few U.K.-registered ships to persuade them to stop trading to North Vietnam, either immediately or when their charters expire. This has been done discreetly through the Chamber of Shipping and it should be effective soon. One owner of a U.K.-registered vessel, for example, recently refused to meet a Soviet request to carry a cargo from North Vietnam to Russia.

Success with U.K.-registered vessels, however, merely emphasises that the major part of the problem is in Hong Kong and, as you know, this is less easy to resolve. The Governor is making enquiries regarding those non-communist local shipowners concerned in the Vietnam trade. He has already had some success in that two firms (details of which will be passed to your people) have now said that their ships will no longer trade with North Vietnam. There are good prospects that other non-communist companies, which are in a legal position to do so, will take the first opportunity, subject to the terms of their charters, to stop their ships going to North Vietnam. But though the Governor has looked again at the possibility of imposing administrative delays on Hong Kong ships under communist control, it is clear that little can be done in this direction to hamper the traffic to Vietnam without courting major trouble with the Chinese as a result. What we can and will do is to have the Hong Kong authorities scrutinise rigorously the documents of all those ships sailing to North Vietnam which call at Hong Kong.

/I know

I know you understand the peculiar difficulties of Hong Kong and its vulnerability. The latest Chinese protest was a clear enough reminder of this. We are anxious that the leave and logistic facilities which Hong Kong provides for the United States forces should not be threatened.

We can certainly meet your request for information on British ships going to North Vietnam. We are already passing details to your people in Hong Kong every month and we now are instructing the Governor to arrange for this to be done more frequently. Of course, we can only do this for ships based (as opposed to merely registered) in Hong Kong or which call at Hong Kong. I understand that others, such as those on charter to the Japanese, by-pass the colony. It would be of some interest to us if, in return, your people could let us have any details they get of the cargoes carried by these British flag ships which do not touch Hong Kong.

The recent lengsheremens' resolution about a boycott has emphasised to us the difficulties which you are facing. I hope our position and our own difficulties will be understood both by Congress and by American public opinion. I am sure that you are aware of the danger of pushing our own public opinion on this issue. What particularly concerns me is that attention is over-focussed on the ships, rather than on North Vietnam's foreign trade, whoever carries it. The trade with us is negligible, but there are some Free World countries for which this could not be said. I think trade is no less important than shipping."

Ends.

Ends.



Mr. L.S. Ross,

With the Compliments

Dr.g. S. Russell.

BOARD OF TRADE

Comp/29

24H Zehwang 1966.

# Confidential





Our reference: Your reference:

# BOARD OF TRADE

1 Victoria Street, LONDON S.W.1
Telex: 25955 Answer Back: BOTHQ LONDON
Telegrams: Advantage London S.W.1
Telepnone: ABBBy 7877, ext.

PSR.30/8/095

23rd February, 1966.

Dear Miss Pestell.



Would you refer to Hone Kone telegram No. 195 of 21st February which was discussed at our meeting on 21st February. I undertook to look into the possibility of exercising persuasion over the owners of any vessels operating to North Vietnam that were mentioned in that telegram and which were registered in the United Kingdom and cenuinely under the control of British owners. The vessels mentioned in the first paragraph of the telegram present no problem. The two lines mentioned in paragraph 2 are both Hone Kong companies and I don't think, therefore, that there is anything further we can do to help.

Yours sincerely,

Ina S. Russell

Miss C. Pestell, Foreign Office, Downing Street, S.W.1.

cc. Mr. G.C. Mayhew, F.O.
Mr. L.S. Ross, Colonial Office.

Confidential

# FROM WASHINGTON TO FOREIGN OFFICE

Sypher/OTP

DEPARTMENTAL DISTRIBUTION

Sir P. Dean

No. 651 22 February 1966 D. 0035 23 February 1966 R. 0240 23 February 1966

IMMEDIATE CONFIDENTIAL

GUARD

Following from Stewart.

Shipping to North Viet Nam.

Murray's letter of 18 February to Gilmore (received 21 February).

I am sure it is right to play this in a low key and you will of course appreciate the importance of avoiding any statement which would provoke further Congressional pressure on the Administration to take action. It would help the Administration not least with the threatened shipping boycott if you could indicate, so far as possible, that anything that is being done on our side results at least in part from American suggestions or representations. But I realize that this may lead to further protests in Britain, and it will not help us to have public opinion on both sides glaring at each other. You may therefore prefer to duck this point and to explain in your reply to Mr. Rusk (your telegram No.1811) the danger of pushing our own public opinion on this issue.

2. As regards the Draft reply, the use of the word "establish" implies that we were ourselves ignorant of the details before Anglo/American talks. I suggest reply might end "and these have served to ensure that there is no misunderstanding between us about the true nature and volume of this traffic". With Mr. Rusk's message in mind (your telegram No.1811), would you consider adding "I am considering certain points raised from the American side in these talks?"

# 3. Supplementaries

(a) You will no doubt wish to cover the blacklisting of ships engaged in this trade and the AFL/CIO threat reported in our telegrams Nos. 610 and 611. On the latter, the Administration have made no comment, but the New York Times of 21 February said in an editorial that this problem does not "provide any excuse for misusing their strike weapon to compel the Government to take actions it considers hurtful to the national interests". The Washington Post also commented that "it is not the prerogative of the maritime unions to prescribe United States policy in this or any other matter".

/(b) Your number 1.

CONFIDENTIAL - GUARD

(67)

# CONFIDENTIAL - GUARD

# Washington telegram No. 651 to Foreign Office

- 2.

- (b) Your number 1. Reference to "fresh fruit and vegetables" as well as coal (our telegrem No. 628) would help to underline innocuous nature of cargoes. "31" is presumably a typographical error.
- (c) Your number 4. It would help if you could add after "understandable a reference to air fighting in South Viet Nam.
- (d) Your number 5. You may wish to make use of Mr. Rusk's statements in our telegram No.628.
- (e) Your number 6. It would help the Americans to say "a senior United States official". (See paragraph 2 of our telegram No.254).
- (f) Your number 9 might with advantage be included in the reply (see paragraphs 1 and 2 above). You might add "short of legislative action, this is the only action open to them".
- (g) Your number 10. Mr. Rusk is clearly not at least at present expecting special legislation and I do not see why you should not simply say "special legislation is not at present contemplated and does not seem called for".

[Copies sent to No.10 Downing Street]

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General Dept.

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News Dept.

C.R.O. F.E. & P.D. Gen. & Mig. Dept. News Dept.

# FROM WASHINGTON TO FOREIGN OFFICE

En Clair Sir P. Dean

No. 628 20 February 1966 FO/CRO/WH. DISTRIBUTION

D. 1645 20 February 1966 R. 1728 20 February 1966

Addressed to Foreign Office telegram No. 628 of 20 February Repeated for information to: Hong Kong

and Saving to: Saigon
Peking
UKMIS New York

Moscow POLAD Singapore

'Viet Nam'

The following exchanges are taken from Mr. Rusk's testimony before the Senate Foreign Relations Committee on Friday, 18 February.

2. First passage, after criticism of inadequate help from SEATO allies by Senator Carlson (Republican, Kansas) begins: ...... for instance, this sounds a little ridiculous, from the United Kingdom 12 persons, 12 people.

Mr. Rusk: Senator, The United Kingdom has a very substantial part of its defence forces in South East Asia engaged in another critical area where there has been fighting, the Indonesian confrontation with Malaysia. I think that is why they have not taken up the question of further activity in South Viet Nam. First passage ends.

Second passage, from the same context, begins:

Senator Carlson: But is it not also a fact that our allies are not only assisting us substantially, let's use that word, in Viet Nam, but they are in fact supporting Hanoi and Peking in carrying on trade in strategic and non-strategic material at a time we are at war?

Mr. Rusk: We have made representations to those free-world countries who have been shipping trade with Haiphong. The number has declined sharply in the last year or two, some 13 or 14 a month still coming in there, some of them, most of them are rather small coastal freighter types operating out of Hong Kong. We are working on this problem very hard at the present time. We have not gotten the final answer yet, but we hope very much to be able to reduce the number still further.

Senator Carlson: Mr. Secretary, I want to commend you for working on it, and I hope that it can bear some fruit.

Mr. Rusk: Thank you.

/Senator Carlson

Washington telegram No. 628 to Foreign Office: Senator Carlson: I have been advised that many of our allies ships are going to Hong Kong (sic) in ballast, and unload the ballast, and then of course haul out goods made in Red China through the port of Hong Kong, which is really assisting them in expanding not only their economy but if they are a part of the aggression in that area through Hanoi, that too helps. Mr. Rusk: Senator, we have no information that any strategic goods of any sort are going into Haiphong through free world ships, and indeed it has been estimated about half of those ships that do go in ballast to pick up coal from Haiphong to take up to Japan, and fresh fruits and vegetables perhaps to take up to the East Siberian ports. Now I am not saying that this is an excuse for the trade. I am saying that this is not a major military problem from the point of view of strategic goods. Senator Carlson: Is it your thought that we are not sending military supplies through our allies, carried by their merchant marines in Hong Kong? Mr. Rusk: Military supplies? No, Sir, I am quite convinced of that. I think we have very accurate information on that. Senator Carlson: I see. Again I want to say I commend you for working on this. I think this is one place they certainly could help cooperate with us, and I would hope they would help us as co-partners in this great struggle against Communism to do more than they are doing in Viet Nam. Second passage ends. Foreign Office pass Hong Kong No. 30 and Saving Saigon No. 17, Moscow No. 19, Peking No. 5 and POLAD Singapore No. 15. [Repeated as requested].



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BRITISH EMBASSY,

WASHINGTON, D.C.

2. Enter a action.

19 February, 1966

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Dean Janald,

# British Shipping to North Vietnam

We have sent you various letters and telegrams about the nature and strength of public feeling here on calls by British flag ships at North Vietnamese ports, and on British trade with North Vietnam. Since these reports are necessarily fragmentary, what follows is intended as a general summary of the pattern and strength of the attacks made on us.

## Background

- 2. Until the turn of the year attacks came mainly from a fairly small lobby in the House of Representatives (notably Representatives Chamberlain and Paul Rogers). There was also what we described in one letter to you as a "steady trickle" of complaints in letters from members of the public, but no spectacular demonstration of indignation. Not much came to our notice in the Press.
- January. American co-operation in imposing economic sanctions on Rhodesia (whose illegal Government is distinctly popular in many parts of this country) seems to have been the match which set fire to the subject; mounting American casualties in Vietnam, and the mounting sense of frustration as neither the military build-up nor the peace offensive brought any signs of early relief, made the subject in any case inflammable; and the process was stimulated by contact between Congressmen and their constituents during the recess (i.e. those Congressmen who already had this bit between their teeth carried the message to the country, and those who did not were exposed to the indignation of their constituents).
- 4. It is difficult to give any neat summary of feeling since the change: it seems to vary from week to week, from place to place and from medium to medium. What

/follows

D. F. Murray, Esq., South-East Asia Department, Foreign Office, London, S.W.1.

follows is compiled from the impressions of all parts of the Embassy and from various posts throughout the country.

#### Congress

- 5. You will have seen from our telegrams and letters that complaints now feature regularly in the Record. These were to some extent choked off by the State Department letter of 21 January to Senator Fulbright (our No. 25 Saving), but have since been resumed. You will see, for instance, from my letters of 14 and 18 February to Catherine Pestell, that the first "black list" (which the Administration deliberately released in such a way as to attract least attention) has been denounced by three Representatives for not going far enough: they want U.S. Government cargoes to be denied to all British ships. As an example of this aspect of our problem I enclose one sample page from the Congressional Record, with two short but sharp pieces, one on ships and one on trade.
- 6. Behind the scenes the position is worse. From his own contacts on the Hill, Bill Drower suggests that if Congress were invited to censure us for this trade (which of course is easier than supporting any particular action), the resolution would be unanimously supported.

#### Press

7. This subject does not figure much in the responsible newspapers which have more than a local readership (say the New York Times, The Washington Post, The Christian Science Monitor and The Wall Street Journal). The newspapers often carry comparatively unobtrusive reports of what is being said about it, but they do not themselves generate any heat. Similarly the agencies are not particularly interested. The exchange at Mr. Rusk's Press Conference on 21 January (our telegram No. 263) was not carried on the tapes here, nor in the Washington Post. It is unfortunate indeed that, until the recent possibility of a boycott by longshoremen of ships from countries engaged in trade with North Vietnam (which is clearly news by any standard), it was the parliamentary questions in our own House of Commons (on 17 February) which had taken up most space on the tapes.

/8. In

-3-

8. In the country at large, however, the picture is totally different. Provincial newspapers are very interested in this subject, and carry a good deal of critical comment. I enclose a sample exchange of letters from the Philadelphia Inquirer (the reply was engineered by our consul).

#### The Public

9. The position is similar to that in the Press. We have not noticed that this is a burning issue in Washington itself, except with Congressmen. Elsewhere, however, the picture is very different. On the Ambassador's recent tours in Texas and on the West coast, he found it to be the first topic of interest, as did the Minister on a recent visit to New York. Partly attitudes are hostile, sometimes virulent; but partly people are simply puzzled to know what the shipping and trade amount to, and why we should allow them to continue. There is also a tendency to link British shipping to, and trade with, Vietnam to H.M.G.'s policy towards Cuba and to our requests for U.S. help with sanctions on Rhodesia. I am not sure whether you see the public comment which reaches us via the Palace and No. 10, but I include two typical examples to illustrate this part of my summary.

## Practical Consequences

10. Apart from the general effect on Anglo-U.S. relations, public indignation on this subject is now such that we may begin to find that it damages us in specific ways. One example of this is the contingent resolution of the maritime unions of the A.F.L./C.I.O. to boycott ships that trade with North Vietnam. Another is that Robin Haydon, who accompanied the Ambassador to Texas, was told by Mr. Mackey, in charge of the British Trade Office in Dallas, that indignation sometimes took the line that Texans would certainly not buy any British goods while British flag ships continue to call at North Vietnam and British trade with North Vietnam goes on. This is clearly something we shall have to keep an eye on.

#### The Administration

11. The Administration have been helpful. So far as possible they play the whole subject down (for instance in the presentation of the first "black list"). When

/they

-4-

they are specifically and directly attacked themselves, they make our points for us stoutly (Mr. Rusk's Press Conference, and Mr. MacArthur's letter, of 21 January), and we have ourselves found that quoting statements of the Administration is often our most effective argument. I have heard it suggested that the Administration might do more to help us, and that they may have stimulated the campaign. I suppose that this idea stems from the fact that the congressional lobby is well briefed. But of course Congressmen have pretty full access to Government information here - far more than Members of Parliament in London - and apart from the actions of the Administration as I have described them, you will see from this letter that the pattern of indignation is quite different from what one would expect if the Administration were giving any countenance to it.

Thus, the areas of public opinion which the Administration are able to use are the columnists in such papers as the Washington Post and The New York Times, the agencies, and in general the Washington cocktail round - the only areas in fact in which our position on this subject is at all comfortable.

#### Our own position

12. Our consulates have been armed since the middle of last year with our standard arguments on this subject, but as we have suggested elsewhere, they are wearing rather threadbare for the strength of wind now blowing. We say "the trade is negligible"; but it doubled last year. We say "the calls are declining"; but since September the trend is upwards. We say "we apply the strategic embargo"; even this now looks a little disingenuous. And so on. We have considered some major statement, but believe this could be counterproductive. Nevertheless we are putting more bite into our case, and instructing Consuls to take the initiative in making it, along the general lines of the attached extract from the Ambassador's speech at a recent meeting of the Institute of Foreign Relations here. The comparison with Indonesia was effective in context (though the limitations on its usefulness are obvious). But we do need your comments on my minute of 22 January to Freddy Jackson, which the latter left with you.

Shin Gilmore

(B. T. Gilmore)

NOTHING

TO

BE

WRITTEN

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THIS

MARGIN

BOARD OF TRADE

# SECURITY CLASSIFICATION

Top:Secret

Secret Confidential

Manual fied

Encetair.

Cypher

Draft.

Telegram to:— WASHINGTON

No. CREDA 37

(Date) 18.2.66

And to:- 1812

Repeat to :-

Saving to:-

Distribution :-

Copies to:

HR dul BRIGSTOCK C
Mr. C.M.P. Brown
Mr. R.C. Bryant
Dr. I.S. Russell

#### Foreign Office

Mr. D.D. Brown Mr.D.F. Murray.

# Colonial Office

Mr. Ross H.O.D 2

C9

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(Date) 18th February, 1966.

Despatched 1+27

[Security classification]

CONFIDENTIAL

[Codeword—if any]

Address to....

DEFERRED

PAPER (WASHINGTON)

telegram No. (date) 18th Feb

And to:

repeated for information to.

Saving to:

Text: (to be typed with double spacing)

#### DRAPER FROM BRIGSTOCKE

Press here report that Maritime Branch of AFL/CIO are likely to vote today at Miami in favour of a dockers' boycott of all British ships in U.S. ports if a further British ship calls at North Vietnam. Grateful your comments and earliest information of any decisions taken by unions in this matter.

OO NOT TYPE ON REVERSE OF THIS FORM
(Use continuation sheet Tel/TC(Cont))

Alo

APrila

BTY/9005

# FROM WASHINGTON TO FOREIGN OFFICE

Cypher/OTP

# DEPARTMENTAL DISTRIBUTION

Sir P. Dean

No. 611

D. 00.40 19 February, 1966

18 February, 1966

R. 01.48 19 February, 1966

# IMMEDIATE CONFIDENTIAL

My immediately preceding telegram : Shipping to North Viet Nam.

The boycott is intended to take the form of dockers refusing to handle vessels in all United States ports. It would therefore severely disrupt United States foreign trade if it was implemented on the scale proposed. We know the State Department realise this. Moreover, the maritime unions have passed extravagant resolutions before (e.g. in regard to ships trading with Cuba) which have not been fully implemented.

- 2. We therefore think that the boycott is unlikely ultimately to be put into effect in precisely the form which the unions say they intend. Widespread sporadic harassment by sudden decisions not to work particular ships of the offending flags is much more likely.
- 3. Nevertheless, in the atmosphere prevailing here it is likely to be difficult for the administration to get the unions off this line unless they can show some progress in securing a reduction in the number of calls, and we may now have to go through a public airing of this dispute.

Foreign Office pass Immediate to Brigstocke, Board of Trade.

[Copies passed to Board of Trade].

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S.E.A.D. General Department American Department News Department

# FROM WASHINGTON TO FOREIGN OFFICE

En Clair

r P. Dean

DEPARTMENTAL DISTRIBUTION

No. 610

D. 01.18 18 February, 1966

18 February, 1966

R. 02.47 18 February, 1966

# IMMEDIATE

Shipping to North Viet Nam.

Maritime Trades Department of AFL-CIO voted to-day to boycott all ships of all foreign nations which allow any of their ships to go to North Viet Nam. But it is apparently not to be effected immediately. A spokesman said the maritime unions would call a meeting in Washington within a few weeks and that if United States Government had done "nothing effective" by then, the boycott could begin.

2. See my immediately following telegram.

Resident Clerk please telephone to Brigstocke, Board of Trade, Empress 2335.

[Copies sent to B.O.T.]

# DISTRIBUTED TO:

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 $\frac{F,O}{S.E.A.D.}$ General Department News Department

C.R.O. F.E.P.D. General & Migration Department News Department

SCR 27/65

February 16th, 1966.

I attach an extract from a New China News Agency report of 12th February alleging that U.S. agencies have been using underhand methods to recruit Hong Kong seamen in Japan to work on ships taking military supplies to South Vietnam.

- 2. The Chinese have been making a good deal recently of reports of this kind, no doubt as part of their campaign to build up anti-American feeling in Hong Kong. I understand that this particular story also appeared in the Peking People's Daily. It would be interesting to know if there is any truth in what is said about recruitment of seamen for the tug "Hayakumo".
- 3. I am sending copies of this letter to Carter in the Colonial Office, Wilford in Peking and to Trench in Washington.

(T.A.K. Elliott)

J.O. Lloyd, Esq., C.B.E., British Consulate-General, OSAKA.

# Extract from New China News Agency - 12.2.66

"The U.S. imperialists are using sinister methods to induce Hong Kong seamen to transport military material to South Vietnam, according to Hong Kong newspaper reports. The U.S. imperialists were receiving help from Japan and Britain, the reports revealed.

On January 20, the U.S. imperialists hired a number of Hong Kong seamen through a local shipping company by promising them high wages, reported the "Wen Wei Pao" and "Ta Kung Pao" here yesterday.

Without being told of the name of the ship, its route or destination, the seamen were flown to Kobe in Japan before any contract was signed, the reports said.

When they were called to the British Consulate in Kobe to sign the contract, they discovered that the 100-ton tug "Hayakumo", on which they were supposed to work, would sail for South Vietnam and operate under the direct command of the U.S. navy. The ship was painted grey like naval vessels and flew the Japanese flag.

Seamen who refused to work for the U.S. imperialist war of aggression in Vietnam and rejected the contract were still in Japan, the reports said.

The Hong Kong "Sing Pao" reported on February 11 that U.S. aggressor troops in Vietnam were hiring about a thousand "transport men" to serve in South Vietnam.

The U.S. imperialists were also searching in Hong Kong for ships of all tonnages, new or outdated, to meet their great needs for transport vessels to serve their war of aggression in Vietnam, according to the "Wen Wei Pao" and "Ta Kung Pao".

/The

The two papers reported on February 9 that twentyone Chinese seamen in Hong Kong had refused to sail U.S. military supplies to South Vietnam. Shortly before that, more than thirty Chinese seamen here had refused to serve the U.S. imperialists.

Another report said that when the Hong Kong-based Norwegian freighter "Slidre Rarat" announced on February 8 that it would sail for South Vietnam, all the Chinese seamen on board refused to work it and left the ship on February 10. They expressed firm support for the just struggle of the Vietnamese people and declared that they would not serve as instruments of U.S. agression."



With the Compliments of the By

Tolitical Adviser

Hong Kong

S Ross by 59 Colomal gha

WASHINGTON.

WASHINGTON.

My telegram No. 1811 ∠of 16 February7: British shipping to North Viet-Nam.

Please pass the following reply to Mr. Rusk:

"Thank you for your message of 16 February
about British shipping and North Viet-Nam. I am
glad you feel that our talks with Mr. Solomon
clarified the situation and I am grateful for the
way you explained it to the Senate Foreign
Relations Committee. I realise the Rhodesian
problem complicates matters.

2. As Mr. Solomon has told you, we are putting pressure on the owners of the few U.K.-registered ships to persuade them to stop trading to North Viet-Nam, either immediately or when their charters expire. This has been done discreetly through the Chamber of Shipping and it should be effective soon. One owner of a U.K.-registered vessel, for example, recently refused to meet a Soviet request to carry a cargo from North Viet-Nam to Russia.

Success with U.K.-registered vessels, however merely emphasises that the major part of the /problem

problem is in Hong Kong and, as you know, this is less easy to The Governor is making enquiries regarding those non-Communist local shipowners concerned in the Viet-Nam trade. already had some success in that two firms (details of which will be passed to your people) have now said that their ships will no longer trade with North Viet-Nam. There are also good prespects that other non-Communist companies, which are in a legal position to do so, will take the first opportunity, subject to the terms of their charters, to stop their ships going to North Viet-Nam. The Governor has also looked again at the possibility of imposing administrative Way on Hong Kong ships under Communist control but it is clear that little can be done in this direction to hamper the traffic to Viet-Nam, without courting major trouble with the Chinese as a result. However, the Hong Kong Authorities will scrutinise all those ships sailing to North Viet-Nam which call at Hong Kong.

I know you understand the peculiar difficulties of Hong
Kong and its vulnerability. The latest Chinese protest was a
clear enough reminder of this. We do not went to give the
Chinese any more openings then we can avoid, lest the leave and
logistic facilities Hong Kong provides for the United States forces
are threatened.

We are already passing information to your people in Hong Kong every month and we are instructing the Governor to arrange for this to be done more frequently. Of course, we can only do this for ships based (as opposed to merely registered) in Hong Kong or which call at Hong Kong. I understand that others, such as those on charter to the Japanese by-pass the Colony. It would be of some interest to us if, in return, your people could let us have any details they get of the cargoes carried by these British flag ships.

The recent longshoremen's resolution about a boycott has emphasised to us the difficulties which you are facing. I hope our position and our own difficulties will be increasingly understood both by Congress and by American public opinion. What perticularly concerns me is that attention is over-focussed on the

ships, rather than on North Viet-Nam's foreign trade, whoever carries it. The trade with us is negligible but there are some free world countries for which this could not be said. Trade is no less important than shipping."



## TO THE SECRETARY OF STATE FOR THE COLONIES



Cypher

21st February, 1966. D.

R. 21st

10.05 hrs.

IMMEDIATE SECRET AND GUARD No. 195.

> Addressed to Colonial Office. " Washington No. 55. (Please pass IMMEDIATE Repeated

" Saigon

" POLAD Singapore by saving.

Your telegram No. 289.

Shipping to North Vietnam.

We can, and shall, make discreet inquiries as to the charter party provisions of those non-Communist local ship-owners concerned. There are good prospects that those who can legally concerned. will take the first opportunity (subject to the terms of their charters) to stop their ships going to North Vietnam. For example, as you may like to know:-

- (i) World Wide Shipping have already informed their Japanese charterers, as they were entitled to do under the terms of a new charter, that the WAKASA BAY (my telegram No. 163) may not in future sail to North Vietnamese ports;
- similarly John Manners, owners of CARDROSS inform us (ii) that until 21st March this vessel may under its present charter go to North Vietnam but on an extension to March 1967, the charterers have agreed to accept a clause proscribing both North and South Vietnam;
- Kinabatangan Shipping Co., whose VICTORIA BAY of Bristol (iii) and JESSELTON BAY of Newcastle are both on charter to Japanese interests are precluded from visiting North Vietnam by clause;
- (iv) Continental Navigation and Enterprise's FORTUNE WIND is not likely in the near future to visit again, nor is NEWHEATH of London, whose charterer is Tsavliris (Shipping) Ltd. of 194-200, Bishopsgate, London.
- 2. However, in the case of two large shipowners whose vessels for years have plied in Far East waters on charter there is a definite unwillingness, unless North Vietnam trade is legally prohibited, to ask their clients to agree to any /proscription

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PAR EASTERN 22 FEB 1966



proscription of specific ports entending clause 21(A) of the Baltime charter party. The companies are:-

- (1) Red Anchor Line with ISABEL ERICA and RUTHY ANN on charter to Sinofracht; NANCY DEE off charter at present and SHIRLEY CHRISTINE and DENNY ROSE on charter to Japanese interests;
- (ii) Mullion and Co., with ARDROSSMORE, ARDROWAN and ARDTARA with between 7 12 months to run on existing charter with Sinofracht and a further two Williamson ships on the Europe-China run which may also call at North Vietnam ports.
- 3. As for imposing administrative delays on ships under Communist control, our telegram No. 92 was intended to make it clear that there would be substantial political and legal dangers in attempting to fabricate administrative reasons for delaying such vessels, and that only minor delays could result. In our view the effect this would have in hampering shipping to and from North Vietnam would not be nearly large enough to offset the substantial risks of major trouble with the Chinese as a result of unjustifiable interference with shipping legally chartered to them. On the other hand, we shall certainly in future be even more vigorous in scrutinizing the documents of those ships sailing to North Vietnam which may continue to pass through Hong Kong.
- 4. We can also, if you wish, insist upon examining the manifests of all ships passing through Hong Kong. There would then be a greater, if still very small, chance of discovering a cargo for North Vietnam which could be caught by the COCOM regulations. If such a cargo came to light and if it was of paramount importance that through cargo should be interfered with, both the ship and cargo could exceptionally be detained under Regulation 6 of the Emergency (Exportation) (Miscellaneous Provisions) Regulations 1951 or Section 9 (E) of the Import and Export Ordinance (Cap.50), while your views were sought.
- 5. As for Mr. Rusk's request (in paragraph 5 of your telegram No. 1811 to Washington) for periodic reports, the information which our Director of Marine has about ships clearing "direct" for North Vietnam is available to the public and is in any case passed on in report form every month to, inter alia, the U.S. Consulate-General here. The remaining information which the Base Intelligence Officer here has about other British vessels visiting North Vietnam comes from two very sensitive sources, one of which is American, and the other British.
- 6. As far as the Hong Kong Government's information is concerned, therefore, we already tell the Americans all we know about the movement of ships, and if they wish to have more frequent information we can certainly discuss with the Consultate-General

/ways

#### SECRET

## INWARD TELEGRAM

## TO THE SECRETARY OF STATE FOR THE COLONIES

ways and means of making this available to them. We understand that the question of making the other more sensitive information available is one on which the decision would rest with Defence Intelligence Staff, (Navy).

(Passed D.S.A.O. for repetition <a href="IMMEDIATE">IMMEDIATE</a> to Washington)

#### Copies sent to:-

Foreign Office (S.E.A. Dept.) - Mr. J.E. Cable
" " " " - Miss Bestall
- Dr. I.S. Russell
- Cablegram Section

211 FEB 1999

#### **OUTWARD TELEGRAM**



#### FROM THE SECRETARY OF STATE FOR THE COLONIES

TO HONG KONG (Sir D. Trench)

Cypher

Sent 18th February 1966. 00.05 hrs.

PRIORITY CONFIDENTIAL No.290

Following telegram of 16th February from Foreign Office addressed to Washington No.1811 repeated for information saving to Saigon, Hong Kong, and POLAD Singapore is now repeated to you as telegram.

Begins.

British Shipping to North Vietnam.

Following is text of a message from Mr. Rusk delivered to me today by the United States Ambassador:

Begins.

Tony Solomon has given us a detailed report of his conversation in London about ships carrying the British flag to North Vietnamese ports. He brought back a good deal of useful information on the current situation and on the problems you face in trying to improve it, and I should, at the outset, express our gratitude for the frankness and co-operation that made this possible.

There seems to be two essential conclusions to draw from the conversations in London. First, with regard to ships registered in Britain, you believe that ships in this category will find one reason or another to get out of the North Vietnamese trade. If your expectations are realized, calls of such ships at North Vietnamese ports will steadily diminish in number and probably stop altogether. You and your people will examine the possibility of bringing about the desired result by informal persuasion and the discreet use of administrative measures.

Even if the situation develops in the most favourable way we can expect, however, it would seem unduly sanguine to look forward to a major change in the situation in the near future. Yet, the pressures we feel from the Congress and from public opinion are already strong and are likely to become stronger. These pressures are not easy for us to deal with, and they do not make it easier to explain what we are trying to do in Zambia and Rhodesia. As you know, it is only too convenient, regardless of the merits, for critics of our measures in support of your Rhodesian policy to point to the continued appearance of ships of British registry in North Vietnamese ports.

There is one way in which the situation here may be eased while your work on the problem progresses, namely, by an improved flow of information. We would like to receive from you periodically, perhaps weekly or semi-monthly, information on the identity of British-registered ships calling at North Vietnamese ports and on the nature of their cargoes. We would not release this information to the public, nor use it in connection with /the

COPY FOR REGISTRATIC!



the Maritime Administration's periodic public listing of ships calling at North Vietnamese ports except as it parallels information on ship calls available from other sources. We would want to use it on a restricted and confidential basis to inform interested Congressional committees on how the situation is developing. Information of this kind could reinforce your view that your trade with North Vietnam is small and that the cargoes carried by ships of British registry are non-strategic. I would appreciate hearing from you whether this kind of an arrangement can be established. I would be interested, also, to learn of the results of your consideration of the possibilities for using persuasion and administrative techniques to influence the movement of ships based in Hong Kong out of the North Vietnamese trade.

I hope that you will be able to deal with this problem successfully and without too long a delay. So long as the fighting goes on in Vietnam and the American people must live with regular reports of casualties, it will be impossible for us in Washington to explain satisfactorily why the friendly flag of Britain flies over ships that, whether carrying goods in or out, contribute to the material and financial strength of North Vietnam.

Ends.

**OUTWARD TELEGRAM** 

#### FROM THE SECRETARY OF STATE FOR THE COLONIES

TO HONG KONG (Sir D. Trench)

GUARD

Cypher

FED. 82/961/01

Sent 18th February, 1966. 00.15 hrs.

PRIORITY CONFIDENTIAL AND GUARD No. 289.

Addressed to Governor Hong Kong.
Repeated for information to Washington (Saving).
" " Saigon.
" " POLAD Singapore.

Our telegram No. 198.

Shipping to North Vietnam.

In view of message to Foreign Secretary from Mr. Rusk (repeated in my immediately following telegram, not to all) we are anxious to let Americans know what action we have taken, or can take, to restrict British flag vessels from trading with North Vietnam.

- 2. In the United Kingdom the Board of Trade both indirectly and through the Chamber of Shipping have been able to persuade the few British ship owners who are interested in North Vietnam to discontinue this trade either now or when possible, e.g. as the charters expire. The success of the Board of Trade's measures does mean however that in the near future virtually the only British flag vessels trading with North Vietnam will be on the Hong Kong Register.
- J. Unless you see any objection therefore we should be grateful if you could discreetly sound out the non-communist shipping firms involved in North Vietnam trade and try to persuade them that it would not be in their long term interests to continue to trade with that country. We should in addition be grateful for any further suggestions you may have, bearing in mind the political risks involved, for hampering by administrative means communist controlled vessels from trading with North Vietnam. In this connection we should like to know whether the impediments to communist controlled shipping which you suggested in your telegram No. 92 can be applied at the present time and whether we can tell Americans that you will be taking such action.

4. Grateful for a reply if possible by 12.00 G.M.T. 21st February.

(Copies sent to D.S.A.O. Outward Bag Room for despatch to Washington, Saigon and POLAD Singapore)

/Copies

DN

CONFIDENTIAL

Copies sent to:-

Foreign Office (S.E.A. Dept.) - Mr. J.E. Cable
" " " Hiss K. Pestall
Board of Trade - Dr. I. Russell

SECURITY, ETC., MARKINGS PRIORITY MARKINGS Top Secret Emergency Immediate Priority Secret Confidential \*TELEGRAM Restricted Unclassified Reply urgently required \* Drie, which cer is inapplicable. If necessary, Living may be inserted before "Savingram." Personal Guard Addressed Repeated No. PRIORITY (Insert appropriate priority marking) (Insert appropriate priority marking) For Information Mr..... HONG KONG 289 Sir..... Washington (Saving) Permt. U.S. of S. Saigon Parly. U.S. of S. Polad Minister of State Singapore Secretary of State HK 380. ENCLOSURES MEDIUM SAVINGRAMS ONLY FOR USE IN TELEGRAPH BRANCH En clair Despatched..... Your reference Cypher (Delete whichever is inapplicable) At OOK COVF CONFIDENTIAL GUARD
(Insert appropriate security, etc., marking) File telegram No. 198. References 43 Shipping to North Vietnam SPECIAL INSTRUCTIONS In view of message to Foreign Secretary Plus repeat tent of hishington tel attached as ( the iny unnechately following telegrams, want to all) immediately following the Foreign Office are anxious to let Washington know Tel. To Hong Kong only what action we have, or can take to restrict British flag DISTRIBUTION AND vessels from trading with North Vietnam. FURTHER ACTION 2. In the United Kingdom the Board of Trade both N. Vietnam indirectly and through the Chamber of Shipping have Shyping distribution been able to discusse the few British ship owners who Fo (S.F. A Dept) My J.F. able are interested in North Vietnam to discontinue this trade either now or when appropriate as the charters - )-ellis KA expire. The success of the Board of Trade's measures BOT. - D+ I Russell - Calelegram section

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for my of

(bopies sent to the D.S.A.D. Butward Bug Room for despatch to Washington, Saugon and POLAD Singapore)



## INWARD TELEGRAM

## TO THE SECRETARY OF STATE FOR THE COLONIES

#### FROM HONG KONG (Sir D. Trench)

Cypher

D. 15th February, 1966.

R. 15th

09.35 hrs.

#### CONFIDENTIAL No. 163

Addressed to Colonial Office. Repeated to Washington No. 44. " Saigon No. 16.
" POLAD Singapore No. 15.

(Colonial Office please pass to Washington and Saigon.)

My telegram No. 87.

According to press reports, U.S. Government has blacklisted five vessels, including three which are Hong Kong registered. They are the SHIENFOON, WAKASA BAY and SHIRLEY CHRISTINE, the details of which appear in appendix 'A' to Elliott's letter CR.7/5401/56 II of 11th October to Cable in South-East Asia Department, Foreign Office.

We have not been informed officially of this action. Grateful for any information which you may have.

(Passed to D.S.A.O. for repetition to Washington and Saigon)

Copies sent to:-

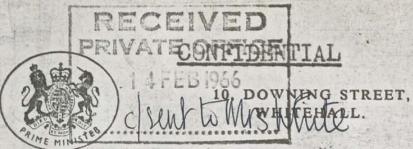
Foreign Office (S.E. Asia Department) - Mr. J.E. Cable - Miss K. Pestell - Miss K. Pestell

- Staff Officer. 123, King Charles St.

Board of Trade

- Dr. I. Russell - Cablegram Section.

COPY FOR REGISTRATION



February 13, 1966.

## COPY OF MINUTE BY THE PRIME MINISTER.

Reference: President of the Board of Trade's minute of 7.2.66. "Shipping and North Vietnam".

The Prime Minister has commented:-

"I agree, and feel that X [first sentence, para 3] would not be productive - except of controversy.

H.W."

FAR EASTERN 17 FEB 1968

Copy also sent to: Foreign Secretary
Colonial Secretary
Sir Burke Trend



RECEIVED

PRIVATE, SEWARE STREET, FEB WHITEHALL.

February 13, 1966.

COPY OF MINUTE BY THE PRIME MINISTER.

Reference: Your minute of 8.2.66.
"Shipping and North Vietnam"

The Prime Minister has seen and noted.

Copy also sent to:

AR 51

#### **OUTWARD TELEGRAM**

#### FROM THE SECRETARY OF STATE FOR THE COLONIES

TO HONG KONG (Sir D. Trench)

Cypher

Sent 11th February, 1966. 00.58 hrs.

CONFIDENTIAL No. 230

Following telegram of 9th February from Foreign Office, addressed to Washington No. 1591, repeated for information to Hong Kong and saving Saigon and POLAD Singapore.

Begins.

(41)

Your telegram No. 445.

Shipping to North Vietnam.

We cannot tell whether this particular shipment of petrol from Shanghai to Hamphong was of the specialised type which appears on the embargo list.

- 2. Our legislation to meet COCOM requirements is designed to impose controls on the export of goods themselves and to prevent evasion of these controls by individuals or firms within British jurisdiction. The principle is to apply controls on goods, not on their carriage. There are no existing United Kingdom or Hong Kong regulations which make it an offence in itself for a British flagship to carry goods on the embargo list.
- 3. We consider it most unlikely that the Chinese would use British ships for the transport of goods they know to be on our embargo list if there were any danger for them that the ships might call at Hong Kong and the nature of the cargoes be discovered. If such cargoes were brought to Hong Kong in transit, the Colonial Office would wish the Governor to try to delay the ships' departure by administrative means while they considered, in the circumstances of the time and of the particular case, whether he should be requested to use the powers described in paragraph 3 of Hong Kong telegram No. 125.
- 4. In his discussions here, Mr. Solomon agreed with our assessment that British flagships were not, (repeat not) carrying embargoed goods.
- 5. If either the United States authorities or Congressmen refer to the particular voyage described in Hong Kong telegram No. 108 in terms which show that they know as much about it as we do, you may draw on paragraphs 1 and 2 above. You may also remind the State Department in confidence (but not say publicly)

/that.

that, as we explained to Mr. Solomon, what little participation there is by United Kingdom registered ships in the North Vietnam trade is expected to disappear entirely as charters, as they come up for renewal, will require exclusion clauses.

6. You should not, (repeat not) use paragraph 3, even with the State Department, without seeking fresh instructions.

Ends



#### PRIME MINISTER

#### SHIPPING AND NORTH VIETNAM

You have asked for comments on the Foreign Secretary's minute of 4th February about shipping to North Vietnam.

- 2. It is unfortunately true that the majority of the small number of British flag vessels now engaged in trade with North Vietnam are Hong Kong registered and under Chinese (Communist) control. None, so far as we know, are carrying goods of a warlike nature contributing directly to the North Vietnamese war effort. (The British ships carrying petrol to North Vietnam which has been the subject of recent American criticism is U.K. registered and owned and has no connection with Hong Kong).
- 5. For Hong Kong to enact legislation to prevent locally registered ships plying to North Vietnamese ports would directly affect Chinese interests. To swing the Colony in this way into line with American policy could not fail greatly to exacerbate its relations with Chine, already strained over the facilities provided to U.S. armed forces on which issue China has made two strongly-worded protests, the most recent on 1st February.
- 4. If Hong Kong were to use discreet administrative measures of persuasion and delay, the foregoing considerations would have less force, but it is difficult to see what these measures could effectively achieve. It would of course be useless and possibly even harmful to attempt to appeal to Communist-owned shipping lines, but the Governor could be asked to try to dissuade any non-Communist shipowners. There is limited scope for causing delays to ships in the course of applying the Merchant Shipping Load Line Convention and the Safety of Life at Sea Convention. This action would not, however, impose any significant delays; it would soon be noticed and the ships would start to by-pass Hong Kong altogether as most of them could do without major inconvenience.

15.

- 5. The Foreign Secretary has frankly (and rightly, so far as Hong Kong is concerned) told the Americans that this issue is linked with the very considerable leave and recreation facilities which their armed forces enjoy in Hong Kong. One might hope that the U.S. administration can see where the balance of advantage lies for them. Neverthaless we could ask the Governor to face the risk of taking the administrative measures outlined above.
- 6. I am sending a copy of this minute to the Foreign Secretary and the President of the Board of Trade.

LONGFORD

9 February, 1966.

File No. FED 82/961/01



Mr. Ross 7/2	***************************************	
5 7/2		
Mr. Garter)	Permt. U.S. of S.	
Mr. Wallace 872	× Parly. U.S. of S. 7/2 with anondread.	
Mr	Minister of State	
Sir	X Secretary of State	
You	Reference.	

AFT MINUTE TO THE PRIME MINISTER FROM THE SECRETARY OF STATE

#### SHIPPING AND NORTH VIETNAM

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You have asked for comments on the

Flag G

Foreign Secretary's minute of 4th February about shipping to North Vietnam.

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Mrs White's amendment for insertion at end of para 2.

None, so far as we know, are carrying goods of a warlibe hature contributing directly to the North Vietnamese war effort. (The Int British ship carrying petrol to N. Vietnam which has been the subject of recent American criticism is U.K. registered and owned and has no connection with Hang Kong.)

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File No. FED 82/961/01



Mr. Rose		******************	
Mr. Ross 7/2			
Mr. Carter.)		Permt, U.S. of S.	
Mr. Wallace 82	×	Parly. U.S. of S. 7 /2 will	andre
Mr		Minister of State	
Sir	×	Secretary of State	
	Your Reference	e	Date 9.2.66

DRAFT MINUTE TO THE PRIME MINISTER FROM THE SECRETARY OF STATE

#### SHIPPING AND NORTH VIETNAM

Flag C Flag G

You have asked for comments on the Foreign Secretary's minute of 4th February about shipping to North Vietnam.

- 2. It is unfortunately true that the majority of the small number of British flag vessels now engaged in trade with North Vietnam are Hong Kong registered and under Chinese (Communist) control.
- 3. For Hong Kong to enact legislation to prevent locally registered ships plying to North Vietnamese ports would directly affect Chinese interests. To swing the Colony in this way into line with American policy could not fail greatly to exacerbate its relations with China, already strained over the facilities provided to US armed forces on which issue China has made two stronglyworded protests, the most recent on 1st February.
- If Hong Kong were to use discreet administrative measures of persuasion and delay, the foregoing considerations would have less force, but it is difficult to see what these measures could effectively achieve. It would of course be useless and possibly even harmful to attempt to appeal to Communist-owned shipping /lines,

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FS.

File No.

Mr. Ross ) 7/2

Mr. Lallace

Mr.....

Sir .....

Permt. U.S. of S.

Parly. U.S. of S.

Minister of State

Secretary of State

Date...February, 1966

Your Reference.....

DRAFT MINUTE TO THE PRIME MINISTER FROM THE SECRETARY OF STATE.

#### SHIPPING AND NORTH VIETNAM

Flag C Flag G

You have asked for comments on the Foreign Secretary's minute of 4th February about the possibility of action to betaken by Hong Kong to restrict shipping to North Vietnam.

It is unfortunately true that the majority/of British flag vessels now engaged in trade with North Vietnam are Hong Kong registered and in the main Chinese (Communist) owned. The precise number of such vessels is open to question but there is no doubt that as measures to dissuade U.K. registered ships from trading with North Vietnam become more effective then the percentage of Hong Kong vessels engaged in this trade will grow.

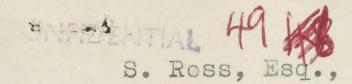
- In most situations Hong Kong could be expected to follow the United Kingdom's lead. In this case there are special problems.
- For Hong Kong to enact legislation to prevent locally registered ships plying to North Vietnamese ports would directly affect Chinese interests. To swing the Colony in this way into line with American policy could not fail greatly to exacerbate its relations with China, already strained over the facilities provided to U.S. armed forces on which issue China has made two strongly-worded protests, the most recent on 1st February.

## **FURTHER ACTION**

If Hong Kong were to use discreet administrative measures of persuasion and delay, the foregoing considerations would not have the same force, but it is difficult to see what these measures could effectively achieve. It would of course be useless and possibly even harmful to attempt to appeal to Communist-owned shipping lines, but the Governor could be asked to try to dissuade any non-Communist shipowners. There is limited scope for causing delays to ships in the course of applying the Merchant Shipping Load Line Convention and the Safety of Life at Sea Convention. This action would not, however, impose any significant delays; it would soon be noticed and the ships would start to by-pass Hong Kong altogether as most of them could do without major inconvenience.

Hong Kong is concerned) told the Americans that this issue is linked with the very considerable leave and recreation facilities which their armed forces enjoy in Hong Kong. One might hope that the U.S. administration can see where the balance of advantage lies for them. Nevertheless Hong Kong would take at some risk the administrative measures outlined above.

DV 1391/18



Colonial Office

With the compliments of
THE SOUTH-EAST ASIA
DEPARTMENT



FOREIGN OFFICE, S.W.1.

9 February , 1966

CONFIDENTIAL

CONFIDENTIAL BRITISH EMBASSY. CD.112146/1 PARIS. 28 January, 1966. Dear Jonaldy You wrote to Peter Ramsbotham on 20 July, 1965 about free world commerce with North Vietnam. I am sorry that we have been so long in replying and, indeed, that we are unable to report much of value. We have kept an eye on the shipping lists published weekly in the Moniteur Officiel de Commerce International (the French equivalent of the Board of Trade Journal). These regularly announce sailings from French ports to Hai Phong and, less frequently, to other North Vietnamese ports. Invariably the ships involved appear, by their names, to be Polish. We have not seen a French ship announced as sailing for North Vietnam. 3. The French customs publish annually a document entitled "Tableau Général de la Navigation Maritime" which gives full details of all shipping movements between French and foreign ports. The only volume we have available is that relating to 1962. In that year no ships of any nationality are shown as having left French ports for North Vietnamese destinations, but

having left French ports for North Vietnamese destinations, but four French ships entered French ports from North Vietnam. During the same year 9,500 tons of cargo were imported into France from Vietnam by French ships after trans-shipment elsewhere. We sent a copy of the 1963 volume to J.D. Rolleston in Shipping Policy Division of, at that time, the Ministry of Transport. The 1964 edition is probably available now but we have not yet received a copy, and the 1965 edition will not be available until about the end of this year.

4. In September Grey was calling on the Directeur de Cabinet of the Secretary General of the Merchant Marine on other matters, and took the opportunity to ask, in confidence, whether he knew of any sailings to North Vietnam. Monsieur Garnier knew of the American comment in the NATO Committee of Economic Advisers American comment in the NATO Committee of Economic Advisers but thought that the Americans were wrong. He offered to look into the matter and to let us know what he discovered. On the 25 January he told Grey that the matter was "rather delicate". Officially, to the best of his department's knowledge, no French ships called at North Vietnamese ports. He then added that if, however, masters of British ships reported having seen French vessels in Hai Phong, that evidence would presumably be conclusive as far as we were concerned.

5. I am sending copies of this letter to Hiller in the U.K. Delegation to NATO, Dougherty in the U.K. Delegation to the OECD, and to Trench in Washington.

(F.C.Everson)

D.F. Murray, Esq., Foreign Office, S.W.1.

copy for the colonial Secretary



With the Compliments

of PRESIDENTS OFFICE

BOARD OF TRADE



PRIME MINISTER



#### SHIPPING AND NORTH VIETNAM



I agree entirely with the line which the Foreign Secretary has taken on this subject in his minute to you of February 4th. The number of ships under United Kingdom ownership involved in this trade is very small indeed and diminishing. Most of those known to us are on long-term charters to foreign owners which will shortly come to an end and are unlikely to be renewed.

- 2. It would be possible for me to make an Order under Section 3 of the Emergency Laws (Re-enactments and Repeals) Act, 1964, which would have the effect of prohibiting the transport of any article to or from North Vietnam in British ships; but such an Order would not be enforceable in Hong Kong because the Act only extends to the United Kingdom. An Order of this kind would be subject to Negative Resolution, and I entirely agree with the political objections to this course which the Foreign Secretary has described
- of letters with the President of the Chamber of Shipping, which could be published, confirming the policy of U.K. shipowners not to send their ships into North Victnamese policy, and appealing to them to terminate long-term charters as soon as possible.

  Such an exchange would do no more than set out the current position. I am doubtful whether it would have much effect on American opinion. Nor do I consider it worth the trouble it would course in terms of public opinion in this country.

I am sending copies of this minute to the Foreign Secretary, the Colonial Secretary and SirmBurke Trend. DOUGLAS JAY BOARD OF TRADE, 1, VICTORIA STREET, LONDON, S.W.1. 7th February, 1966

847

10, Downing Street,

CONFIDENTIAL

Copy Mrs Water RECEIVED PRIVATE OFFICE -7/FEB 1966



The Prime Minister has seen the Foreign Secretary's minute of February 4 about shipping and North Vietnam.

The Prime Minister has minuted:

"I am sure this was exactly the right line, but we may get a more formal message from Dean Rusk or L.B.J.

H.W. "

The Prime Minister would also like to have, fairly urgently, the comments of the Colonial Secretary and the President of the Board of Trade.

I am sending a cony of this letter to Cumming-Bruce (Colonial Office), Nicoll (Board of Trade) and Reid (Cabinet Office).

(SGD.) J.O. WRIGHT

C.M. MacLehose, Esq., C.M.G., M.B.E., Foreign Office.

ec. Mrs White
Mr Canter
for reply

PRIME MINISTER
PM/66/10

RECEIVED PRIVATE OFFICE - 7 PEB 1966

## Shipping and North Viet-Nam

When I was recently in Washington both President
Johnson and Mr. Rusk spoke to me about the Congressional
and public concern in the United States over British
ships trading to North Viet-Nam.

- 2. Mr. Rusk followed this up by sending his Assistant Secretary for Economic Affairs, Mr. Solomon, to London this week to try to get Her Majesty's Government to do something about the handful of United Kingdom-registered ships and the 20-odd Hong Kong registered ships (more than half of them under Communist Chinese control or charter) known to be going to North Viet-Namese ports.
- 3. After two days of official talks Mr. Solomon (accompanied by the United States Ambassador) came to see me this morning. He asked if he could take back to Washington an undertaking that:
  - 1) Ham.G. and the Governor of Hong Kong would do everything possible to persuade shipowners who were open to persuasion to remove their ships from the North Viet-Nam trade.
  - ii) H.M.G. would give active consideration to the possibility of legislative action in the /United.....

United Kingdom and Hong Kong to compel
British ships registered in either place,
whose owners were not susceptible to
persuasion, to stop going to North Viet-Nam.
(This effectively means the ships of British
registry under Chinese Communist Chinese
control or charter).

Mr. Solomon believed that legislation would be possible in the United Kingdom under Section 3 of the Emergency Laws (Re-enactment and Repeals) Act 1964 and in Hong Kong by the Governor in Council.

- 4. Mr. Solomon recognised our domestic problem but stressed that, in the view of Congress, the United States Government had gone out of their way to support us on Rhodesia; and Congressmen were now saying that 80% of the Free World shipping to North Viet-Nam was under the British glag.
- political opinion here, and the delicate position of Hong Kong. The first made it very difficult to enactlegislation, which would be subject to public and parliamentary debate. The second made it equally difficult to envisage measures which might provoke a Chinese reaction, jeopardising in turn the considerable facilities we were already affording the Americans in Hong Kong. Consequently I could no /give....

give any commitment even to consider the possibility of legislation. We were agreed that persuasion would be fruitless so far as ships under Chinese Communist control or charter were concerned. But we had already done a lot by persuasion and pressure to reduce the number of United Kingdom registered ships engaged in this traffic and I thought ue could see if similar persuasive or administrative measures, short of legislation, could be used on some of the Hong Kong ships.

- I insisted that we would have to be discreet about this, particularly in Hong Kong. Moreover, i was very important that the present United States approach to us should not become public knowledge. If it did, our problems would be greatly increased. 7. These are indeed increased by the fact that this trade is quite innocuous; most of the ships go to Borth Viet-Nam in ballast and return with cargoes of non-strategic goods (coal, fertiliser, prg-iron). The American counter to this is that these exports bolster North Viet-Nam's economy and provide her with foreign exchange.
  - I suspect that Mr. Solomon is not returning to Washington in a particularly happy frame of mind and we may hear further from the United States

/Government....

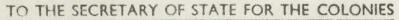
Government on this.

9. I am copying this minute to the Colonial Secretary, who may wish to comment on the possibilities of action on Hong Kong, and to the President of the Board of Trade, who may likewise care to give his views on persuasive or legislative action in the United Kingdom.

MICHAEL STEWART

4 February, 1966.





## FEB 1966 11 12 1 10 8 3 8 7 6 5

## COPY FOR REGISTRATION

FROM HONG KONG (Sir D. Trench)

En Clair

D. 7th February 1966
R. 7th " 10.15 hrs.

IMMEDIATE No.126

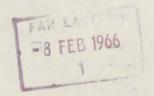
> Addressed to Colonial Office Repeated "Washington No. 35

My telegram No.125.

Please delete the first sentence of paragraph 2, which was the result of a misapprehension. We assume place of origin is that named in paragraph 1 of my telegram No.108, after the words "direct from".

(31)

## Copies sent to:





#### SECRET

#### INWARD TELEGRAM

## TO THE SECRETARY OF STATE FOR THE COLONIES

## COPY FOR REGISTRATION

FROM HONG KONG (Sir D. Trench)

Cypher

D. 7th February, 1966.
R. 7th " " 05.30 hrs.

IMMEDIATE SECRET No. 125

Addressed to Colonial Office
Repeated to Washington 33 (S. of S. please pass
Immediate to Washington).

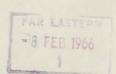
Your telegram No. 196: Trade with North Vietnam.

The normal COCOM procedure, operated by the Hong Kong and other Governments, is that controls of strategic commodities are exercised by the Government of the exporting country, not by the Government of the country owning the vessel in which the commodity is shipped, nor by governments of countries at which the vessel may call in transmit.



- 2. The onus of preventing the petrol shipment referred to in Washington telegram No. 445 thus lay on the Japanese Government. We do not ourselves know what type of petroleum was shipped; but only the highest grades of petroleum products come within the COCOM categories.
- I repeat again that the vessel concerned was not of Hong Kong registry nor was it chartered in Hong Kong nor did it pass through Hong Kong but even if it had and the petrol came within the COCOM list it is long-standing practice in Hong Kong not to interfere with cargoes transitting the port on through bills of lading and import and export licences are not in fact required for such cargoes though government has in fact powers under the Emergency (Exportation) (Miscellaneous Provisions) Regulations 1951 to direct that any article the export of which is prohibited without a licence including goods in transit should be deposited in a place specified by Government. These were used exceptionally in 1965 (my telegram No. 16) to prevent a cargo of diesel engines from Macau reaching Indonesia. If we had prior reason to believe that a cargo for North Vietnam in transit through Hong Kong came within the COCOM categories we could technically operate the same procedure. But in the case of ships on charter by the Chinese or owned by a Chinese firm this could very easily involve a major controversy with the C.P.G.; and we would

/have





have to weigh the circumstances very carefully before taking action. In the connexion it is relevant that with the S. of S.'s approval a cargo of cobalt for China was permitted to transit Hong Kong in 1964 (our telegrams 120 and 136 of 1964 to S. of S. refer.)

(Message passed to D.S.A.O. for repetition Immediate to Washington)

Copies sent to:-

Foreign Office (S.E.A.D.) - Mr. Murray

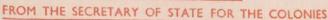
" " - Miss Pestell

" " - Mr. Cable

Board of Trade - Dr. I.S. Russell

" " " - Cablegram Section





# 435



## COPY FOR REGISTRATION

TO HONG KONG (Sir D. Trench)

Cypher

Sent 6th February, 1966. 00.15 hrs.

CONFIDENTIAL No. 198.

Following telegram of 4th February from Foreign Office addressed to Washington No. 1432 repeated for information to Hong Kong and saving to POLAD Singapore and Saigon.

Begins.

(36) (36)

My telegram No. 1332.

Shipping to North Viet-Nam.

The United States Ambassador brought Mr. Solomon to see me on 4th February.

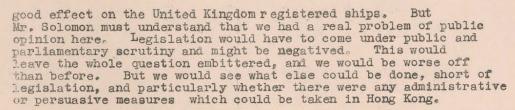
- 2. Mr. Solomon handed me a memorandum (copy by bag) on the position he thought the official talks had reached, adding that President Johnson had instructed him to see if H.M.G. could take some action immediately while considering longer term possibilities. He then asked if he could take back to Washington an undertaking that:-
  - (a) H.M.G. and the Governor of Hong Kong would do everything possible to persuade shipowners who were open to persuasion to remove their ships from the North Viet-Namese trade.
  - (b) H.M.G. would give active consideration to the possibility of legislative action in the United Kingdom or Hong Kong to stop Chinese controlled or chartered ships which were not open to persuasion.

He recognised our domestic problem, but in the view of Congress the United States Government had gone out of their way to support us over Rhodesia and Congressmen were now saying that 80 per cent of the free world shipping going to North Viet-Nam was under the British flag. The Norwegians, Danes and Greeks had co-operated with the Americans in stopping their ships. He accepted that ours were not carrying strategic materials but they were aiding the North Viet-Namese economy. He could not see why America's major ally could not develop the ingenuity or legal powers to co-operate with the United States on this serious problem.

3. I said I understood the strong feeling in the United States. But for countries like Norway the matter was simple: they did not have a Hong Kong to consider. The number of British flag ships in the North Viet-Nam trade was declining and quantitatively the problem was not large. We had already used persuasion to

FAR EASTE /good

CONFIDENTIAL



- lt. I stressed the delicate political position of Hong Kong. If it became known to the Chinese that we were taking action at United States request, the very considerable facilities we are already giving the Americans in the Colony might be jeopardised. Consequently any measures there would have to be very discreet.
- 5. In short I could give no commitment even to consider legislation but we would see what could be done quietly in Hong Kong. To Mr. Solomon's further question, whether we would consider the legal possibilities if we found that persuasive and administrative measures were ineffective, I said that I had not closed my mind entirely but that we should have to consider the situation at the time and might well find that our difficulties in this direction had not lessened.
- 6. Reverting to Rhodesia, Mr. Solomon said that the United States Government had brought heavy pressure on American firms to close down their businesses at a cost of millions of dollars. He hoped we could show in our own administrative and persuasive measures the same concern for America's interests as they had shown for ours. I replied that there was overwhelming support in the United Nations for our policy over Rhodesia. If there were the same degree of U.N. support for United States policy over Viet-Nam it would greatly help us with public opinion here.
- 7. Finally I said that it was very important that the United States present approach to us should not be made public. If it were, our problems would be greatly increased.

Ends.

## SECRET



### **OUTWARD TELEGRAM**

## FROM THE SECRETARY OF STATE FOR THE COLONIES

TO HONG KONG (Sir D. Trench)

Cypher

Sent 6th February 1966 0015 hrs.

IMMEDIATE SECRET No. 197

My telegram No. 196.

British Shipping and North Viet-Nam

Grateful for any comments particularly in light of any Hong Kong legislation or controls by 09.00 hours G.M.T. 7th February.

# File No..... SECURITY, ETC PRIORITY MARKINGS Top Secret DRAFT Secret Confidential Restricted \*TELEGRAM Priority Reply urgently required Nil Unclassified \* Delete whichever is inapplicable. If necessary "Priority" may be inserted before "Savingram. Addressed No. Repeated muliale (Insert appropriate priority marking) (Insert appropriate priority marking) gov. Mr..... King King Sir..... 197 Permt. U.S. of S. Parly. U.S. of S. Minister of State Secretary of State ENCLOSURES HKG 380. Savingrams only) MEDIUM SAVINGRAMS ONLY FOR USE IN TELEGRAPH BRANCH En clair Your reference FED Code EGA (Delete whichever is inapplicable) 0015 Hrs. (Insert appropriate security, etc., marking) INF File Ry telepran No 196 References SPECIAL INSTRUCTIONS Bruish Ripping & North Viet-Nam Gralepe for any comments Lon DISTRIBUTION AND Ly King King agast Lay 0900 hour GMT. FURTHER ACTION 7" February. PRINT (Delete whicheve is inapplicable) (Delete whichever

# SECRET

# 41 DEA

# **OUTWARD TELEGRAM**

# FROM THE SECRETARY OF STATE FOR THE COLONIES

TO HONG KONG (Sir D. Trench)

Cypher

Sent 6th February 1966. 00.15 hrs.

IMMEDIATE

SECRET No.196

Following telegram of 4th February from Washington addressed to Foreign Office No.445 repeated for information to Hong Kong No.22 and saving to Saigon No. 14.

Begins.

Following from Stewart.

Hong Kong telegram No. 108 to the Colonial Office.

British Shipping and North Vietnam.

We will not (repeat not) use the information in Hong Kong telegram under reference. To acknowledge the supply of nearly half a million gallons of petrol to Haiphong in a ship presumably registered in U.K. would be liable to do us great damage here. Unfortunately, it seems that Congressman Fino and others already know about it (my telegram No.19 to Hong Kong), though perhaps not in detail, and if it became widely known it would make it difficult for us to maintain that British flagships do not carry military supplies to North Vietnam.

2. I note the implication that cargoes which British ships carry to North Vietnam come under our control only if the ships choose to call at Hong Kong (or presumably other British ports). I should be grateful for urgent clarification of the position in this respect. Is it in fact possible that a British flagship may carry lethal war materials to North Vietnam? I will not elaborate on the consequences if this were to happen and become known here.

FAR EASTERN

Ends.

SECRET

# **OUTWARD TELEGRAM**



# FROM THE SECRETARY OF STATE FOR THE COLONIES

# COPY FOR REGISEATION

TO HONG KONG (Sir D. Trench)

En clair

Sent 6th February, 1966. 00.15 hrs.

No. 194.

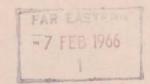
Following telegram of 5th February from Foreign Office addressed to Washington No. 1460 repeated for information to Governor Hong Kong and saving to Saigon.

Begins.

Your telegram No. 445. Paragraph 2.

We are consulting with the departments concerned and will send you a reply as soon as possible on 7th February.

Ends.



#### BRITISH SHIPPING AND TRADE WITH NORTH VIET-NAM

Following upon the Secretary of State's discussions of this subject with President Johnson and Mr. Rusk last week (Washington telegram No.364 of 28 January), Mr. Rusk sent Mr. Solomon, Assistant Secretary, Economic Affairs, abruptly to London this week for talks with British officials. Mr. Solomon made it clear before he left Washington that he would be coming to press H.M.G. to prevent British flag ships from trading to North Viet-Nam.

- 2. I have taken the Chair at meetings with Mr. Solomon and his advisers on 2 and 3 February. Officials from the Board of Trade and Colonial Office have been present.
- 3. A record of the first meeting is in Foreign Office telegram
  No.1332 to Washington of 2 February. Subsequent meetings have reconciled
  the facts of this trade, the number of ships involved, their ownership
  and the cargo carried under British flag. But we have drawn no further
  new proposals from Mr. Solomon who has repeated, with some heat, that
  the U.S.Government expected their major ally, the United Kingdom, to
  prevent ships flying the British flag from "trading with the enemy".
- 4. This morning Mr. Solomon gave warning that he would be asking the Secretary of State to give him a commitment on behalf of H.M.G. which he could take back immediately to Washington, that:
  - (i) H.M.G. will give active consideration to the possibility of legislative action to prohibit British ships registered in the United Kingdom and Hong Kong from trading to North Viet-Namese ports.
  - (ii) In addition, H.M.G. will agree in principle to use persuasion and administrative action to pregent those British ships which are not directly controlled or operated by Chinese Communist concerns from trading to North Viet-Nam, (which would be dealt with under (i) above.

Flag 'B'

Flag 'A'

Background

5. A detailed analysis of the problem and the issues involved was prepared by British officials before Mr. Solomon's arrival and submitted to the President of the Board of Trade and the Colonial Secretary. Our own submission was suspended pending the outcome of the talks but I attach it for reference purposes. At annex to the present submission I attach a brief outline of the "facts" on which we have discussed at length and agreed with the Americans in the past two days, together with a brief summary of the comments which have been advanced by British officials on the proposals which Mr. Solomon has put forward, of which the most important is for legislative action of some kind.

- 6. Although some half dozen U.K. registered ships are now trading to N. Vietnam, Mr. Solomon has accepted that they will cease doing so when the present charters terminate (in most cases very soon). Essentially therefore we have been discussing what could be done about three U.K. registered ships and about 20 registered in Hong Kong, more than half of which are controlled or chartered by Chinese Communist concerns and thus not susceptible to persuasion. During the meeting I have stressed to Mr. Solomon the political difficulties which would confront H°M.G. if they took any action, legislative or administrative, against British ships in this trade. I have also stressed, against Mr. Solomon's reluctance to agree, that the question of British flag ships trading to North Viet-Nam cannot be considered in isolation from the question of North Viet-Nam's trade with the Free World. According to 1963-1964 statistics the biggest traders were Japan, France and West Germany. Our trade was negligible; Mr. Solomon maintained that these trading patterns were obsolete because of the bombing of N. Vietnam. He was in any event only concerned with ships and asserted that ships flying the British flag are now carrying the majority of North Vietnam's exports to the Free World, though not of its imports from it.
- 7. Throughout the discussions Mr. Solomon has drawn pointed attention to the U.S. willingness to help us over trade with Rhodesia and

FLAG 'C'

to the success the persuasive measures have had.

8. The delicate political position of Hong Kong has not been discussed in the present talks.

#### Considerations

- The political considerations are twofold: whether any "commitment to study measures" can be given to Mr. Solomon at this stage and the issues likely to be raised if H.M.G. were to take action directed towards satisfying American desires.
- 10. On the immediate problem, any commitment to Mr. Solomon would rapidly be made public in the U.S. as proof to the foluble and emotional criticism there that the Administration had succeeded in persuading H.M.G. into action of some kind. Public opinion on both sides of the Atlantic would then transform a commitment to study the possibility of action into a more or less firm commitment by H.M.G. that such action, would be taken. While this would clearly relieve the U.S.Administration of a very difficult domestic problem, it would equally clearly exacerbate emotions here among critics of H.M.G's policy over Vietnam. In the political atmosphere of the present and coming weeks it would be difficult to avoid accusations that H.M.G. had given firm commitments to the Americans to the detriment of our and Hong Kong's commercial interests.
- 11. The considerations surrounding the possibilities of action short of legislation are many and complex and are best set out in Annex C to the earlier submission. Any fresh legislation, even if based on an enabling earlier/act would clearly have a rough passage through Parliament. Of equal importance is the position of Hong Kong where any legislative or effective administrative action taken in support of American policies over Vietnam would inevitably draw a very strong reaction from Peking which could well have serious political consequences for the Colony.

  For this reason, it is most unlikely that the Governor would wish to take any action, even if it were in his power to do so.

2010年6月

#### RECOMMENDATION

- 12. The Secretary of State may wish to take the following line with Mr. Solomon:
  - (a) To remind him that the political delicacy of this problem in the U.K. gives us as much concern as it does in the opposite sense to the U.S. Administration.
  - (b) To explain that a commitment in the sense required by Mr. Solomon could not be given without fuller consideration by H.M.G.
  - (c) To remind him of the extremely exposed and delicate political position of Hong Kong, on which the bulk of the problem is centred, in the light of the most recent Chinese accusations that the U.S. is exploiting the Colony for their war purposes in Vietnam.
  - (d) To remind him of the facilities already provided for the Americans in Hong Kong (normal supply and replenishment facilities for the U.S.Navy and important leave facilities for U.S. troops from Vietnam) which would be endangered.
  - (e) But to undertake that H.M.G. will give urgent consideration to the possibility of deterrents by further persuasion and discreet administrative measures ∠though these are not likely to be effective in Hong Kong if only because many of the ships flying the British flag do not go there frequently.
    7

CYPHER OTP

SIR P. DEAN

#### FROM WASHINGTON TO FOREIGN OFFICE

No.364 28 January 1966

PRIORITY SECRET DEPARTMENTAL DISTRIBUTION

D. 2347 28 January 1966 R. 0145 29th " "

When the Secretary of State saw President Johnson yesterday the subject of British shipping to North Viet Nam came up. The Becretary of State told the President that it would be very difficult to legislate in order to prevent this trade but that he was willing to make a thorough study of the facts in order to see what could be done by way of administrative action. Since so many of these ships were registered in Hong Kong the Government of Hong Kong would have to be brought in. The Secretary of State said that even if the British flag could be removed from these ships they would no doubt continue to trade, but he assured the President that he was anxious to see what could be done to deal with the matter and a thorough study of the facts was at present being made.

- 2. In reply the President, supported by Mr. Rusk who was present, emphasised the highly explosive nature of this question in Congress. Mr. Rusk said that it was inextricably tied up in the minds of Congress with Rhodesia, and that if a vote were to be taken of Congress on the question of sanctions for Rhodesia the probable result would be 3 to 2 against, whereas if the question of British ships trading to North Viet Nam was not involved the position would probably be reversed.
- 3. I understand that Mr. Rusk spoke on similar lines to the Secretary of State when he saw him alone shortly before the meeting with the President. I must stress that it is not the amount of the trade or its character, both of which are very small and of no value to the Viet Minh war effort, which is causing such serious trouble here. It is the fact that so many of the ships concerned are flying the British flag, even though they may be owned by or on long-term charter to non-British and often Communist concerns. I have often been strongly attacked on this by a member of the Congress Foreign Affairs Committee, who bore out exactly what we have been hearing from Rusk and other members of the Administration.

SECRET

OUT TO WASHINGTON TELNO 1332 OF 2/2 CYPHER/OTP UNIT O PROFFITT PRIORITY

COMIDENTIAL.

ADDRESSED TO WASHINGTON TELEGRAM NUMBER 1332 OF 2 FEBRUARY REPEATED FOR INFORMATION HONG KONG AND SAVING POLAD SINGAPORE AND SAIGON.

SHIPPING TO VIET-NAM: ANGLO-U.S. TALKSO.

THE FIRST MEETING WITH MR. SOLOMON AND HIS ADVISERS WAS HELD THIS MORNING. DE LA MARE, AS CHAIRMAN, EXPLAINED AT THE OUTSET THAT, ALTHOUGH PLEASED TO SEE MR. SOLOMON SO SOON, HIS EARLY ARRIVAL MEANT THAT WE HAD NOT YET HAD TIME TO FORMULATE OUR VIEWS FULLY OR TO CONSULT.MINISTERS. WE NOW WISHED TO LISTEN TO ANY CONSTRUCTIVE PROPOSALS THE AMERICAN DELEGATION MIGHT MAKE AND TO TRY TO AGREE ON THE FACTS OF THE SITUATION.

- 2. SCLOMON EXPLAINED THE SURGE OF FEELING IN THE UNITED STATES ABOUT BRITISH SHIPS TRADING TO NORTH VIET-MAM, EVEN THOSE HOLDING DIFFERENT VIEWS ON THE CONDUCT OF THE WAR WERE AGREED ON THIS. OFFICIALS IN THE U.S. HAD TRIED TO ENCOURAGE PEOPLE TO KEEP THIS PROBLEM IN PERSPECTIVE, BUT THE GENERAL FRUSTRATION OF THE WAR IN VIETNAM, WHICH TOUCHED AMERICANS MORE DEEPLY EVEN THAN KOREA, HAD FOCUSSED ATTENTION ON WHAT APPEARED TO BE ALLIED SUPPORT FOR THE ENEMY. DE LA MARE STRESSED THAT IN OUR VIEW THE SMALL AMOUNT OF BRITISH SHIPPING DID NOT CONSTITUTE ASSISTANCE TO THE ENEMY. AND INVITED A DISCUSSION OF THE FACTS.
- 3...SCLOMON SAID THAT THE BASIC CONCERN OF THE U.S. WAS THAT SIP SHIPS TRADING TO NORTH VIET-NAM SHOULD STOP DOING SO BUT, IF THIS WAS NOT POSSIBLE, THAT THE UNITED KINGDOM SHOULD TAKE SOME ACTION WHICH WOULD MEAN THESE SHIPS DID NOT FLY BRITISH FLAGS. WE EXPLAINED THAT BRITISH REGISTRATION COULD OBYE REMOVED ONLY IF OWNERSHIP PASSED TO A COMPANY WHICH WAS NOT ENTITLED TO OWN A BRITISH SHIP. THERE WERE, OF COURSE, STATUTORY REQUIREMENTS ABOUT SAFETY EQUIPMENT WHICH MIGHT NBE STRICTLY APPLIED AS A DETERRENT BUT IF PERIODIC SURVEYS PROVED UNSATISFACTORY, SHIPS COULD NOT BE ROMOVED FROM THE REGISTER, BUT MERELY DETAINED AND IF NECESSARY THE OWNER PROSECUTED. THE U.K. AND HONG KONG SITUATION WERE SIMILAR.
- 4...SOLOMON ENQUIRED ABOUT POSSIBILITIES OF ACTION UNDER EXISTING U.K. LEGISLATION. BK (DETAILS BY BAG). WE THOUGHT ONLY ONE ACT WAS STILL RELEVANT BUT THOUGH ITS LANGUAGE WAS BROAD ITS PURPOSE WAS TO CONTROL EVASIONS OF STRATEGIC EXPORT CONTROLS THROUGH RESALES.

  TO USE THIS ACT FOR A PURPOSE NOT INTENDED WHEN IT WAS MADE WOULD INVITE SERIOUS PARLIAMENTARY CRITICISM. BUT WE WOULD BRING THIS SUGGESTION BEFORE MINISTERS.
  - 5...SCLOMEN ENOUIRED ABOUT EXHORTATION OR PERSUASIVE MEASURES SUCH AS THOSE EMPLOYED BY THE U.S. GOVERNMENT OVER RHODESIA, WHICH AMOUNTED TO SOME SERIOUS "ARM TWISTING" OF FIRMS INVOLVED. FOR HONG KONG WE POINTED OUT THAT SUCH HEASURES WOULD HAVE ADSCLUTEL NO EFFECT ON SHIPPING COMPANIES UNDER CHINESE COMMUNITST CONTROL AND THAT THE COVERNOR THOUGHT THAT ADMINISTRATIVE MEASURES WOULD NOT BE EFFECTIVE. BUT WE ASKED FOR DETAILS OF THE PERSUASION WHICH THE AMERICANS HAD USED OR COULD RECOMMEND IN THIS CASE AND ALSO PROVISED TO LOCK AGAIN AT WHAT HIGHT BE DONE TO INFLUENCE HONG KONG ESSELS OF BRITISH OUNERSHIP.
  - 6...NE ASKED IF THE AMERICANS HAD CONSIDERED THE POSSIBILITY OF A ELOCKADE OF ALL SHIPPING GOING TO NORTH VIET-NAM. SOLONON DISMISSED THIS AS TOO DANGEROUS AS IT WOULD HAVE TO APPLY TO ALL VESSELS INCLUDING RUSSIAN ONES. WE ASKED WHY BRITISH SHIPPING WAS BEING SINGLED OUT AND VERE TOLD THAT CERTAIN OTHER COUNTRIES, SUCH AS GREEGE AND NORWAY HAD ALREADY COOPERATED WITH AMERICAN WISHES AND GRITISH SHIPS FORMED THE LANGE MAJORITY OF ALL SHIPS KORMEN GOING GOIN TO MARTH VIET-NAMESE PORTS. A SECOND MEETING TODAY

BRITISH STIPS FORMED THE LANGE MAJORITY OF ALL SHIPS KONNEW GOING GO TO NORTH VIET-NAMESE PORTS. A SECOND MEETING TODAY CONCENTRATED ON THE DATA AVAILABLE.

7...SCLOMON FINALLY EMPHASISED THAT, IN CONTRIBUTING TO THE WORTH VIET MESE ECONOMY THROUGH TRADE, INDIRECT ASSISTANCE WAS BEING GIVE TO THE WORTH VIET-WAR VAR EFFORT. HE REPEATED THE SUGGESTION THAT PRESSURES MIGHT BE EXERTED BY H.M.G. "ASSUMING THERE WAS THE WILL TO DO SOMETHING" (A PHRASE WHICH HE USED ON MORE THAN ONE OCCASION).

#### CONFIDENTIAL

#### ANNEX

I. Facts on British flag ships trading to North Viet-Nam, as agreed with United States Officials.

#### Ships

(i) 9 U.K.ships have been operating to North Viet-Nam. 6 of these are under timecharters, most of which would expire within the next two months. The owners have assured us that the charters will not be renewed unless clauses are included prohibiting trade with North Viet-Nam. The remaining three ships belong to a Greek Company registered in London. We are pursuing with H.M.Ambassador in Athens the possibility of persuading the Greek Government to urge the Company not to employ the vessels for trade with North Viet-Nam

(ii) About 20 British ships based in Hong Kong have been trading to North Viet-Nam. The majority of these are owned by Chinese Comminist interests.

#### Employment

These British ships are not carrying strategic cargoes, or for the most part any cargoes, to North Viet-Nam. They are mostly engaged in carrying anthracite coal from North Viet-Nam to Japan and pig iron to Hong Kong.

#### II. Considerations advanced by British officials in discussions

- 1. H.M.G. have no power to remove from British registration (whether in the United Kingdom or elsewhere in the Colonies) ships owned by individuals or companies having their principal place of business in H.M.Dominions.
- 2. Mr. Solomon raised the question of whether a control of trade by sea order comparable to that issued at the time of the Korean War could now be made in respect of Viet-Nam. He was told that the powers in this respect had been repealed.
- 3. Mr. Solomon's major request was for H.M.G. to take action by an Order in Council under Section 3 of the Emergency Laws (Re-enactment and Repeals) Act 1964 to prohibit the transport of any goods to or from North Viet-Nam in British ships. He was informed that:
  - (a) when this Bill was presented in Parliament in 1964, H.M.G. made it clear that the Section which Mr. Solomon thought had validity was designed solely to prevent resales of strategic materials to the Sino-Soviet bloc under COCOM agreements.
  - (b) on the other hand, we agree that the wording of the Act was in somewhat broader language than strictly required for the purpose for which the Bill was introduced.
  - (c) an Order made under this Act would be subject to negative resolution in the House of Commons and we could expect considerable Parliamentary opposition on political and legislative grounds to action beyond the intended scope of the original legislation.
  - (d) in any case, even if an Order, of the sort desired by the Americans, was possible, it could not be enforced except by prosecution in U.K. courts and the prospect of a Hong Kong master of an offending ship being available in the U.K. was remote.

4. Legislation in Hong Kong. Parallel legislation could be carried out in Hong Kong although it would have similar limitations as legislation carried out in the U.K. We have been in touch with a large number of ship owners, including owners of the ships referred to under 1(i) above and have received assurances that any further charters they may conclude will exclude voyages to North Viet-Nam. It was explained to Mr. Solomon that, since the majority of the Hong Kong registered ships were controlled by Communist companies, persuasion would be ineffective. Whilst it would be possible to take certain administrative measures to hamper Hong Kong registered ships trading with North Viet-Nam, it was the opinion of the Governor that administrative measures alone would not greatly curtain the ships' movements.

III. Administrative measures which the Governor of Hong Kong could take (N.B. Not explained to Mr. Solomon).

Action in Hong Kong is possible under:

- (a) the merchant shipping loadline convention (H.K.) No. 1 Order, 1935; or
- (b) The Safety of Life at Sea Convention, 1960.
- 2. Under (a), a surveyor can be sent to inspect efficiency of ships' closing appliances and to check that loadline markings accord with loadline certificates. Unless vessel concerned is overloaded (which is unlikely for British ships going to North Viet-Nem as most are in ballast) the most that the surveyor can do is to ask for certain remedial action to be taken immediately and if not to serve a detention order on master until matter has been rectified. But it is unlikely that surveyor would be able with any degree of plausitility to ask for more than minor repair work which might at the most delay clearance of ships for a few days.
- 3. Under (b) similar powers of inspection apply to all life-saving appliances and related equipment. But under H.K. Merchant Shipping Ordinance No, 14 of 1953 if detention is to be extended beyond 24 hours the owner, master or agent can call for an independent assessor or a court of survey. If it appears that there was not reasonable cause for the detention Government are liable to pay the owner costs of the detention as well as of the surveys and compensation for loss or damage sustained as a result of the detention. These might vary between £500 £1,000 per day, depending on the size of the ship. This procedure could therefore only be employed with great caution and there would be severe risks in using it to impose significant delays on shipping.

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# Emergency Laws (Re-enactments and Repeals) Act 1964

CHAPTER 60

# ARRANGEMENT OF SECTIONS

#### PART I

#### RE-ENACTMENT OF DEFENCE REGULATIONS

#### Section

- 1. Hire-purchase control.
- Power of Treasury to prohibit action on certain orders as to
- 3. Temporary powers for purposes of defence.
- 4. Welfare foods.
- 5. Medical supplies.
- 6. Temporary control by Minister of Agriculture, Fisheries and Food and Secretary of State of maximum prices of milk.

# Supplemental provisions

- 7. Orders and directions.
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# Offences and legal proceedings

- 10. False documents and false statements.
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#### Interpretation

15. Interpretation of Part I.

#### PART II

#### CONTINUANCE OF OTHER EMERGENCY LAWS. AND SUPPLEMENTAL PROVISIONS

#### Section

- The Ships and Aircraft (Transfer Restriction) Act 1939. 16.
- 17. Power of Board of Trade to trade in jute products.
- 18. Exercise of powers of Board of Trade.
- 19. Expenses.
- 20. Northern Ireland.
- 21. Channel Islands and Isle of Man.
- 22. Short title, repeals, savings and construction.

#### SCHEDULES:

Schedule 1—Production of documents.

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# ELIZABETH II



#### **1964 CHAPTER 60**

An Act to repeal the remaining Defence Regulations (that is to say those set out in the Emergency Laws (Repeal) Act 1959), except the Defence (Armed Forces) Regulations 1939, and to re-enact certain of those Defence Regulations with modifications; and to continue for limited periods the Ships and Aircraft (Transfer Restriction) Act 1939 and certain powers of the Board of Trade relating to jute products.

[16th July 1964]

BEIT ENACTED by the Queen's most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same, as follows:—

#### PART I

#### RE-ENACTMENT OF DEFENCE REGULATIONS

1.—(1) The Board of Trade or the Secretary of State may by Hire-purchase order provide for imposing in respect of the disposal, acquisition control, or possession of articles of any description under hire-purchase or credit-sale agreements, or under agreements for letting on hire, such prohibitions or restrictions as appear to the Board of Trade to be required for restricting excessive credit.

#### (2) In this section—

"credit-sale agreement" means an agreement for the sale of goods in which the whole or part of the purchase price is payable by instalments, whether the agreement is absolute or conditional;

A 2

PART I

- "hire-purchase agreement" means an agreement for the bailment of goods under which the bailee may buy the goods or under which the property in the goods will or may pass to the bailee, whether on the performance of any act by the parties to the agreement or any of them or in any other circumstances.
- (3) Schedule 1 to this Act shall apply for the purposes of this section.
- (4) In the application of this section to Scotland, for the definition in subsection (2) of hire-purchase agreement there shall be substituted the following definition:—
  - "'hire-purchase agreement' means any contract, in whatsoever terms it may be expressed and whether it be truly one of sale or hire, whereby goods are taken on hire by one person from another person in consideration of periodical payments to be made by the first mentioned person to the other person, with an option to the first mentioned person to become the buyer of the goods:"

Power of Treasury to on certain orders as to gold, etc.

- 2.—(1) Where the Treasury are satisfied that action to the detriment of the economic position of the United Kingdom is prohibit action being, or is likely to be, taken by the government of, or persons resident in, any country or territory outside the United Kingdom, the Treasury may give general or special directions prohibiting, either absolutely or to such extent as may be specified in the directions, the carrying out, except with permission granted by or on behalf of the Treasury, of any order given by or on behalf of the government of that country or territory or any person resident therein at the time when the directions were given or at any later time while the directions are in force, in so far as the order-
  - (i) requires the person to whom the order is given to make any payment or to part with any gold or securities; or
  - (ii) requires any change to be made in the persons to whose credit any sum is to stand or to whose order any gold or securities are to be held.
  - (2) Where any directions are given under this section with respect to any country or territory, a branch in that country or territory of any business, whether carried on by a body corporate or otherwise, shall, for the purposes of this section, be treated in all respects as if the branch were a body corporate resident in that country or territory.
    - (3) In this section, unless the context otherwise requires:—

"gold" means gold coin or gold bullion;

- "security", except in so far as is otherwise expressly provided, includes-
  - (a) shares, stocks, bonds, notes, debentures, debenture stock and Treasury bills;

(b) a deposit receipt in respect of the deposit of securities;

PART I

- (c) a unit or a sub-unit of a unit trust;
- (d) an annuity granted under the Government Annuities Act, 1929, or to which either Part I or Part II of that Act applies, and a life assurance policy or other contract entered into with an assurance company for securing the payment in the future of any capital sum or sums or of an annuity;
- (e) a warrant conferring an option to acquire a security;
- (f) a share in an oil royalty;

but does not include a bill of exchange or a promissory note:

and references in this section to the United Kingdom shall be construed as if the Channel Islands and the Isle of Man were part of the United Kingdom.

- (4) Any consent or permission granted by or on behalf of the Treasury under this section may be granted either absolutely or subject to conditions.
- (5) This section, and directions having effect under this section, and the following provisions of this Act so far as they relate to this section, shall extend to the Channel Islands and the Isle of Man as if those islands were part of the United Kingdom.
- 3.—(1) The Board of Trade may by order provide for Temporary imposing in respect of the movement, transport, disposal or powers for acquisition of any article situated outside the United Kingdom, purposes of or in respect of the re-export of any article from the United defence. or in respect of the re-export of any article from the United Kingdom, such prohibitions or restrictions as appear to the Board of Trade to be expedient having regard to any agreement or arrangement concluded in respect of defence matters, or any consultations held in respect of such matters, between Her Majesty's Government in the United Kingdom and the government of any country outside the United Kingdom.

- (2) The Minister of Transport may by order provide for imposing in respect of the construction of ships such prohibitions or restrictions as appear to the Minister to be expedient having regard to any agreement or arrangement concluded in respect of defence matters, or any consultations held in respect of such matters, between Her Majesty's Government in the United Kingdom and the Government of any country outside the United Kingdom.
- (3) Schedule 1 to this Act shall apply for the purposes of this section.

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- (4) This section shall continue in force until the end of 1969, and may be continued in force thereafter under the following provisions of this section.
- (5) Her Majesty may by Order in Council direct that this section shall continue for such further period from the end of 1969 as may be specified in the order, being a period not exceeding five years, and from time to time extend the period for which this section continues in force for further periods not exceeding five years.

A draft of an Order under this subsection shall not be submitted to Her Majesty in Council unless it has been approved by resolution of each House of Parliament.

Welfare foods.

- 4.—(1) The Minister of Health or the Secretary of State may, so far as appears to any of those Ministers to be required for the purposes of any scheme administered by a government department for the provision of any welfare food, by order provide—
  - (a) for regulating or prohibiting—
    - (i) the acquisition, treatment, keeping, storage, transport, distribution, disposal, use or consumption of any welfare food other than liquid milk, and
    - (ii) the disposal, use or consumption of liquid milk, and
  - (b) for controlling the prices to be charged for any welfare food.
- (2) In this section "welfare food" means liquid milk, dried milk, concentrated orange juice, cod liver oil or vitamin tablets.
- (3) Schedule 1 to this Act shall apply for the purposes of this section.
- (4) In the application of this section to Northern Ireland references to the Minister of Health shall be omitted.

Medical supplies.

- 5.—(1) The Minister of Health or the Secretary of State may by order provide for controlling maximum prices to be charged for any medical supplies required for the purposes of the National Health Service Acts.
- (2) The Minister of Health or the Secretary of State may by direction given with respect to any undertaking, or by order made with respect to any class or description of undertakings, being an undertaking or class or description of undertakings concerned with medical supplies required for the purposes of the National Health Service Acts, require persons carrying on the undertaking or undertakings of that class or description—

- (a) to keep such books, accounts and records relating to the undertaking as may be prescribed by the direction or, as the case may be, by the order or a notice served thereunder.
- (b) to furnish at such times, in such manner and in such form as may be so prescribed such estimates, returns or information relating to the undertaking as may be so prescribed,

and Schedule 1 to this Act shall apply for the purposes of this section.

- (3) In this section "medical supplies" includes surgical, dental and optical materials and equipment.
- (4) In the application of this section to Northern Ireland references to the Minister of Health shall be omitted.
- 6.—(1) The Minister of Agriculture, Fisheries and Food or Temporary the Secretary of State may by order provide for controlling control by maximum prices to be charged for liquid milk.

  Agriculture
- (2) Schedule 1 to this Act shall apply for the purposes of this Fisheries and section.
- (3) This section shall continue in force until the end of 1969, State of maximum provisions of this section. State of maximum prices of milk.
- (4) Her Majesty may by Order in Council direct that this section shall continue for such further period from the end of 1969 as may be specified in the order, being a period not exceeding five years, and from time to time extend the period for which this section continues in force for further periods not exceeding five years.

A draft of an Order under this subsection shall not be submitted to Her Majesty in Council unless it has been approved by resolution of each House of Parliament.

# Supplemental provisions

- 7.—(1) Any order made under this Part of this Act, and any Orders and general direction given under section 2 of this Act, shall be made directions. or given by statutory instrument which shall be subject to annulment in pursuance of a resolution of either House of Parliament.
- (2) Any power conferred by this Part of the Act to make any order or give any direction shall be construed as including a power, exercisable in the like manner and subject to the like conditions, if any, to revoke or vary the order or direction.
- (3) Any power of making orders under this Part of this Act shall include power to provide for any incidental and supplementary provisions for which the Minister making the order

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Temporary control by Minister of Agriculture, Fisheries and Food and Secretary of State of PART I

- thinks it expedient for the purposes of the order to provide, including, in the case of orders under section 1 of this Act, provisions requiring persons to retain documents recording hirepurchase agreements and other agreements.
- (4) An order under this Part of this Act may make such provisions (including provision for requiring any person to furnish any information) as the Minister making the order thinks necessary or expedient for facilitating the introduction or operation of a scheme of control for which provision has been made, or for which, in the opinion of the Minister, it will or may be found necessary or expedient that provision should be made, under this Part of this Act.
- (5) An order under this Part of this Act may prohibit the doing of anything regulated by the order except under the authority of a licence granted by such authority or person as may be specified in the order, and may be made so as to apply either to persons or undertakings generally or to any particular person or undertaking or class of persons or undertakings, and so as to have effect either generally or in any particular area.
- (6) Where under this Part of this Act two or more Ministers have power to make orders, the power may be exercised by them jointly or separately.
- (7) The Interpretation Act 1889 shall apply to the interpretation of any order made under this Part of this Act as it applies to the interpretation of an Act of Parliament and for the purposes of section 38 of that Act any such order shall be deemed to be an Act of Parliament.

Notices, authorisations and proof of documents.

- 8.—(1) A notice to be served on any person for the purposes of this Part of this Act, or of any order or direction made or given under this Part of this Act, shall be deemed to have been duly served on the person to whom it is directed if—
  - (a) it is delivered to him personally, or
  - (b) it is sent by registered post or the recorded delivery service addressed to him at his last or usual place of abode or place of business.
- (2) Where under this Part of this Act a person has power to authorise other persons to act thereunder, the power may be exercised so as to confer the authority either on particular persons or on a specified class of persons.
- (3) Any permit, licence, permission or authorisation granted for the purposes of this Part of this Act may be revoked at any time by the authority or person empowered to grant it.
- (4) Every document purporting to be an instrument made or issued by any Minister or other authority or person in pursuance of this Part of this Act, or of any provision having effect

under this Part of this Act, and to be signed by or on behalf of that Minister, authority or person shall be received in evidence and shall, until the contrary is proved, be deemed to be an instrument made or issued by that Minister, authority or person; and prima facie evidence of any such instrument as aforesaid may, in any legal proceedings (including arbitrations), be given by the production of a document purporting to be certified to be a true copy of the instrument by or on behalf of the Minister or other authority or person having power to make or issue the instrument.

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9.—(1) Unless the contrary intention appears therefrom, any Territorial provisions contained in, or having effect under, this Part of this extent of Act shall, in so far as they impose prohibitions, restrictions or Part I. obligations on persons, apply to all persons in the United Kingdom and all persons on board any British ship or aircraft, not being an excepted ship or aircraft, and to all other persons, wherever they may be, who are ordinarily resident in the United Kingdom and who are citizens of the United Kingdom and Colonies or British protected persons.

(2) In this section—

"British aircraft" means an aircraft registered in-

(a) any part of Her Majesty's dominions;

(b) any country outside Her Majesty's dominions in which for the time being Her Majesty has jurisdiction;

(c) any country consisting partly of one or more colonies and partly of one or more such countries as are mentioned in the last foregoing subparagraph;

"British protected person" has the same meaning as in the British Nationality Acts 1948 to 1964;

"excepted ship or aircraft" means a ship or aircraft registered in any country for the time being listed in section 1(3) of the British Nationality Act 1948 or in any territory administered by the government of any such country, not being a ship or aircraft for the time being placed at the disposal of, or chartered by or on behalf of, Her Majesty's Government in the United Kingdom.

# Offences and legal proceedings

10.—(1) If, with intent to deceive, any person—

(a) uses any document issued for the purposes of this documents and false Part of this Act or of any order made under this Part statements. of this Act; or

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- (b) has in his possession any document so closely resembling such a document as aforesaid as to be calculated to deceive; or
- (c) produces, furnishes, sends or otherwise makes use of, for purposes connected with this Part of this Act or any order or direction made or given under this Part of this Act, any book, account, estimate, return, declaration or other document which is false in a material particular,

he shall be guilty of an offence against this Part of this Act.

(2) If, in furnishing any information for the purposes of this Part of this Act or of any order made under this Part of this Act, any person makes any statement which he knows to be false in a material particular, or recklessly makes any statement which is false in a material particular, he shall be guilty of an offence against this Part of this Act.

Restrictions on disclosing information. 11. No person who obtains any information by virtue of this Part of this Act shall, otherwise than in connection with the execution of this Part of this Act or of an order made under this Part of this Act, disclose that information except for the purposes of any criminal proceedings, or of a report of any criminal proceedings, or with permission granted by or on behalf of a Minister of the Crown.

Offences by corporations.

- 12.—(1) Where an offence under this Part of this Act committed by a body corporate is proved to have been committed with the consent or connivance of, or to be attributable to any neglect on the part of, any director, manager, secretary or other similar officer of the body corporate or any person who was purporting to act in any such capacity, he, as well as the body corporate, shall be guilty of that offence and shall be liable to be proceeded against and punished accordingly.
- (2) In this section, the expression "director", in relation to a body corporate established by or under any enactment for the purpose of carrying on under national ownership any industry or part of an industry or undertaking, being a body corporate whose affairs are managed by its members, means a member of that body corporate.

Penalties.

13.—(1) If any person contravenes or fails to comply with this Part of this Act, or any order made under this Part of this Act, or any direction given or requirement imposed under this Part of this Act or under any order made under this Part of this Act, he shall, save as otherwise expressly provided, be guilty of an offence against this Part of this Act;

and, subject to any special provisions contained in this Part of this Act, a person guilty of an offence against this Part of this Act shall—

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- (a) on summary conviction, be liable to imprisonment for a term not exceeding three months or to a fine not exceeding one hundred pounds, or to both; or
- (b) on conviction on indictment, be liable to imprisonment for a term not exceeding two years or to a fine not exceeding five hundred pounds, or to both.
- (2) Where a person convicted on indictment of an offence against this Part of this Act is a body corporate, no provision in this Part of this Act limiting the amount of the fine which may be imposed shall apply, and the body corporate shall be liable to a fine of such amount as the court thinks just.
- 14.—(1) No proceedings for an offence against an order or Legal direction under section 1, section 2 or section 3 of this Act proceedings. shall be instituted in England and Wales except by or with the consent of the Director of Public Prosecutions or the Board of Trade or the Minister of Transport or the Treasury.
- (2) Proceedings in respect of an offence alleged to have been committed by a person against an order or direction under section 1, section 2 or section 3 of this Act may be taken before the appropriate court in the United Kingdom having jurisdiction in the place where that person is for the time being.

# Interpretation

15. In this Part of this Act:

Interpretation of Part I

- "the National Health Service Acts" means the National of Part I. Health Service Acts 1946 to 1961, the National Health Service (Scotland) Acts 1947 to 1961 and the corresponding enactments of the Parliament of Northern Ireland;
- "undertaking" means any public utility undertaking or any undertaking by way of any trade or business;

and any reference in this Part of this Act to articles shall be construed as including a reference to substances, vehicles, vessels or animals.

#### PART II

#### CONTINUANCE OF OTHER EMERGENCY LAWS, AND SUPPLEMENTAL PROVISIONS

16.—(1) The Ships and Aircraft (Transfer Restriction) Act The Ships and 1939 (which, by virtue of section 11 of the Emergency Laws Aircraft (Miscellaneous Provisions) Act 1947 no longer applies to air-Restriction) craft) shall continue in force until the end of 1969, but subject to Act 1939.

PART II

the provisions of subsections (2) to (5) of section 4 of the Emergency Laws (Repeal) Act 1959 (which restrict the powers of the Minister of Transport under the said Act of 1939, and contain other modifications), and may be continued in force thereafter under the following provisions of this section.

(2) Her Majesty may by Order in Council direct that this section shall continue for such further period from the end of 1969 as may be specified in the order, being a period not exceeding five years, and from time to time extend the period for which this section continues in force for further periods not exceeding five years.

A draft of an Order under this section shall not be submitted to Her Majesty in Council unless it has been approved by a resolution of each House of Parliament.

Power of Board of Trade to trade in jute products.

- 17.—(1) The powers relating to jute conferred by section 3(2) of the Emergency Laws (Repeal) Act 1959 (which by virtue of certain orders made under the Ministers of the Crown (Transfer of Functions) Act 1946 are exercisable by the Board of Trade) shall, so far as they relate to the acquisition or disposal of jute bags, jute cloth and jute yarn, continue in force until the end of 1969 and accordingly subsection (2) of this section shall have effect in substitution for those powers.
- (2) Until the end of 1969 the Board of Trade shall have power—
  - (a) to acquire or dispose of jute bags, jute cloth and jute yarn; and
  - (b) to do all such things as appear to the Board of Trade necessary or expedient for the exercise of the foregoing powers.

Exercise of powers of Board of Trade.

18. Anything required or authorised by or under this Act to be done by, to or before the Board of Trade may be done by, to or before the President of the Board, any Minister of State with duties concerning the affairs of the Board, any secretary, undersecretary or assistant secretary of the Board or any person authorised in that behalf by the President; and references in this Act to a Minister include references to the Board of Trade.

Expenses.

19. Any expenses incurred by any government department which are attributable to the provisions of this Act shall be defrayed out of moneys provided by Parliament.

Northern Ireland.

- 20.—(1) Subject to this section, this Act shall extend to Northern Ireland.
- (2) Where by Part I of this Act any power is conferred upon the Secretary of State, then, in so far as the power is exercisable in relation to Northern Ireland, the Secretary of State may, to

such extent and subject to such restrictions as he thinks proper, by order delegate the power either to a department of the Government of Northern Ireland specified in the said order or to the appropriate department or departments of the said Government; and where any power is so delegated to the appropriate department or departments, it shall be exercised by such department or departments of the said Government as the Governor of Northern Ireland may by order specify.

- (3) Where a power to make orders has been delegated in pursuance of the last foregoing subsection any order made in pursuance of that power, and any order made by virtue of that subsection by the Governor of Northern Ireland, shall be made by statutory instrument, and the Statutory Instruments Act 1946 shall apply in like manner as if the order had been made by the Secretary of State; and, in relation to any such delegation, the expression "government department" in the last foregoing section shall be construed as including a department of the Government of Northern Ireland.
- (4) As from such date as the Secretary of State may by order contained in a statutory instrument appoint, orders made under section 4 of this Act shall not extend to Northern Ireland.
- (5) Nothing in this Act shall restrict the powers of the Parliament of Northern Ireland to make laws with respect to any matter with respect to which that Parliament has power to make laws, and any laws made by that Parliament with respect to any such matters shall have effect notwithstanding anything in this Act, or in any order or other instrument made under this Act.
- (6) In this Act the expression "Act" includes an Act of the Parliament of Northern Ireland, and references to enactments of the Parliament of the United Kingdom shall be construed as including references to those enactments as they apply in Northern Ireland.
- 21. The power of making an Order in Council under section Channel 9(2)(b) of the Emergency Laws (Repeal) Act 1959 shall include Islands and power to extend the period for which the provisions of any such Order have effect, or otherwise to vary the provisions of any such Order.
- 22.—(1) This Act may be cited as the Emergency Laws Short title, (Re-enactments and Repeals) Act 1964.

  Re-enactments and Repeals) Act 1964.
- (2) Subject to this section, the Acts and instruments men-construction. tioned in Schedule 2 to this Act shall be repealed to the extent specified in the third column of that Schedule.

PART II

PART II

- (3) Those repeals shall not affect any order, direction or other thing done or made or having effect under any provision so repealed and re-enacted in this Act with or without modification, and any such order or direction or other thing which was in force immediately before the commencement of this Act shall continue in force and shall have effect as if made under the corresponding provision of this Act and may be varied or revoked accordingly; and references in this Act to orders made, directions given or other things done under any provision of this Act shall be construed accordingly.
- (4) Without prejudice to subsection (3) of this section, an order having effect by virtue of that subsection under any section in Part I of this Act may be varied or revoked by a Minister having power to make orders under that section, although made by a different Minister, or by Ministers one of whom is a different Minister.
- (5) The expiration of any provision of this Act shall, for all purposes, and in particular for the purposes of section 38 of the Interpretation Act 1889, have the same effect as if that provision had then been repealed by Act of Parliament.

#### SCHEDULES

#### SCHEDULE 1

PRODUCTION OF DOCUMENTS

Sections 1 and 3 to 6.

1.—(1) For the purposes—

- (a) of securing compliance with any order made or direction given under the relevant section of this Act by or on behalf of a competent authority, or
- (b) of verifying any estimates, returns or information furnished to a competent authority in connection with the relevant section of this Act or any order made or direction given thereunder,

an officer of a competent authority duly authorised in that behalf shall have power, on producing (if required to do so) evidence of his authority, to require any person carrying on an undertaking or employed in connection with an undertaking to produce to the officer forthwith any documents relating to the undertaking which the officer may reasonably require for the purposes set out above in this paragraph.

(2) The power conferred by this paragraph to require any person to produce documents shall include power—

(a) if the documents are produced—

- (i) to take copies of them or extracts from them, and
- (ii) to require that person, or, where that person is a body corporate, any other person who is a present or past officer of, or is employed by, the body corporate, to provide an explanation of any of them,
- (b) if the documents are not produced, to require the person who was required to produce them to state, to the best of his knowledge and belief, where they are.
- (3) If any requirement to produce documents or provide an explanation or make a statement which is imposed by virtue of this paragraph is not complied with, the person on whom the requirement was so imposed shall be guilty of an offence and liable on summary conviction to imprisonment for a term not exceeding three months or to a fine not exceeding one hundred pounds, or to both:

Provided that where a person is charged with an offence under this sub-paragraph in respect of a requirement to produce any documents, it shall be a defence to prove that they were not in his possession or under his control and that it was not reasonably practicable for him to comply with the requirements.

2.—(1) If a justice of the peace is satisfied on information on oath laid on behalf of a competent authority, that there are any reasonable grounds for suspecting that there are on any premises any documents of which production has been required by virtue of the foregoing paragraph and which have not been produced in compliance with that requirement, the justice may issue a warrant authorising any constable, together with any other persons named in the warrant and any other constables, to enter the premises specified in the

- SCH. 1
- information (using such force as is reasonably necessary for the purpose) and to search the premises and take possession of any documents appearing to be such documents as aforesaid, or to take in relation to any documents so appearing any other steps which may appear necessary for preserving them and preventing interference with them.
- (2) Every warrant issued under this paragraph shall continue in force until the end of the period of one month after the date on which it is issued.
- (3) Any documents of which possession is taken under this paragraph may be retained for a period of three months or, if within that period there are commenced any proceedings for an offence under this Act to which they are relevant, until the conclusion of those proceedings.
- (4) Any person who obstructs the exercise of any right of entry or search conferred by virtue of a warrant under this paragraph, or who obstructs the exercise of any rights so conferred to take possession of any documents, shall be guilty of an offence and liable on summary conviction to imprisonment for a term not exceeding three months or to a fine not exceeding fifty pounds, or to both.
- (5) In the application of this section to Scotland, any reference to a justice of the peace includes a reference to the sheriff and to a magistrate.
  - 3. In this Schedule-
    - "competent authority" means a Minister of the Crown, and any authority or person on whom by virtue of the relevant section of this Act powers have been conferred by order of any such competent authority as aforesaid;
    - "the relevant section of this Act" means any section of this Act applying this Schedule.
- 4. It is hereby declared that this Schedule is contained in Part I of this Act.

# SCHEDULE 2

Section 22.

#### REPEALS

Chapter	Short Title	Extent of Repeal
7 & 8 Eliz. 2. c. 19.	The Emergency Laws (Repeal) Act 1959.	Sections 1 and 2.  In section 3(1) the words "Nowithstanding anything in section one of this Act".  In section 3(2) the paragraph (finserted in section 6(1) of the Supplies and Services (Transitional) Powers Act 1945.  Section 3(3) so far as it relates the section 6(1)(f) of the Supplie and Services (Transitional Powers) Act 1945.  Section 4(1).  Section 5.  In section 8(1) the words from "having effect" to "Act and and section 8(2).  Section 9(1).  Section 10(2) so far as it applied to section 4.  In section 10(2) the words "on and"  Schedule 1.  All of Schedule 2 except Part Conduction Schedule 3.  In Part II of Schedule 4 the entries relating to the Ships and Aircraft (Transfer Restriction Act 1939, the Ceylon Independence Act 1947, The Ghan Independence Act 1957 and the Federation of Malaya Independence Act
8 & 9 Eliz. 2. c. 52.	The Cyprus Act 1960.	pendence Act 1957. Paragraph 11 of the Schedule.
8 & 9 Eliz. 2. c. 55.	The Nigeria Independence Act 1960.	Paragraph 9 of Schedule 2.
9 & 10 Eliz. 2. c. 16.	The Sierra Leone Independence Act 1961.	Paragraph 10 of Schedule 3.
10 & 11 Eliz. 2. c. 1. 10 & 11 Eliz. 2.	The Tanganyika Independence Act 1961.	Paragraph 9 of Schedule 2.
c. 40.	The Jamaica Independence Act 1962.	Paragraph 9 of Schedule 2.
10 & 11 Eliz. 2. c. 54.	The Trinidad and Tobago Independence Act 1962.	
10 & 11 Eliz. 2. c. 57.	The Uganda Independence Act 1962.	Paragraph 9 of Schedule 3.
1963 c. 54	The Kenya Independence Act 1963.	Paragraph 9 of Schedule 2.
1963 c. 55 1964 c. 46	The Zanzibar Act 1963 The Malawi Independence Act 1964.	Paragraph 9 of Schedule 1. Paragraph 9 of Schedule 2.

Сн. 60

Emergency Laws (Re-enactments and Repeals) Act 1964

ScH. 2

Chapter or serial number	Title	Extent of repeal
S.I. 1955 No. 554.	The Transfer of Functions (Ministry of Food) Order 1955.	In Article 2(3) the words from "and the power" to "Regulations 1939".  Article 4(2).
S.I. 1959 No. 1829.	The Transfer of Func- tions (Construction of Ships) Order 1959.	Article 2(1)(a).

# Table of Statutes referred to in this Act

Short Title	Session and Chapter  52 & 53 Vict. c. 63 19 & 20 Geo. 5. c. 29 2 & 3 Geo. 6. c. 70 9 & 10 Geo. 6. c. 31
Interpretation Act 1889 Government Annuities Act 1929 Ships and Aircraft (Transfer Restriction) Act 1939 Ministers of the Crown (Transfer of Functions) Act 1946.	
Statutory Instruments Act 1946 Emergency Laws (Miscellaneous Provisions) Act 1947.	9 & 10 Geo. 6. c. 36 11 & 12 Geo. 6. c. 10
British Nationality Act 1948 Emergency Laws (Repeal) Act 1959	

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#### Mrs White

The attached submission to the Foreign Secretary has been prepared by the Foreign Office in consultation with the Board of Trade and ourselves (Mr Ross). Although drafted only yesterday evening, paragraphs 5 and 6 are already out of date in that Mr Solomon, the State Department official who is to talk to us about this matter, has uninvited left for London, In the Crimmitanus it seems the whole that we talk to him and Managarant

2. It was agreed that similar submissions would also be made to the President of the Board of Trade and Colonial Secretary.

3. The crux of the matter is that anything done in or by Hong Kong to meet the Americans on this issue is likely to have serious repercussions on the Colony (paragraph 3 of the FO submission read in conjunction with Part IV of Annex C). We might hope to convince the Americans that to create difficulties for Hong Kong in this way will greatly prejudice the facilities which their armed services at present enjoy there. In this sense Part IV of Annex C is right when it states that the issue is "at least in part for the Americans to study where the balance of advantage lies." But it is in Hong Kong's interest that wherever the balance of American advantage lies we stand firm and give no ground on this. Hong Kong's relations with China are passing through an awkward period on account of the facilities the Colony is affording to US armed forces; it seems certain that they are about to become more tense because of the presence there since the end of last month of two nuclear-powered US warships. Whatever Whatever trade restrictions outside time of war the Americans should be told that we are not prepared to prejudice the future of Hong Kong in this particular cause, which has nothing to commend it except that it satisfies American congressional opinion.

(W. S. Carter) 1st February, 1966

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This was out of date as soon as it was submitted. Mr. Solomon duly arrived and exploratory talks on the scope of the problem to the hadine of the American almands are proceeding, with a view to making a further submission (which will as likely as not 90 to the Prime Minister in view of the whent he has taken). This second submission will therefore have to be cleared in the drafting stages with our Ministers.

3/2

#### BRITISH SHIPPING AND TRADE WITH HORTH VIET-NAM

Officials of the Board of Trade, the Colonial Office and the Foreign Office have been considering what measures short of lagislation could be taken should Ministers decide some action was desirable to meet American pressure to stop or to reduce the arount of ships under the Dritish Flag trading to North Viet-Namese ports and possibly to reduce trade with North Viet-nam (although this is a less heated issue).

- 2. The following papers covering this question are attached:-
  - (a) A background Note on the Evolution of the Problem.
  - (b) Such statistics as are available on the amount of British shipping trading to North Viet-Nam and on U.K. North Viet-Namese trade.
  - (c) Lists of possible measures which might be considered and their likely repercussions.
- 3. These papers show that very little can be achieved by administrative action short of legislation that would not lead to serious consequences, particularly in the case of Hong Keng. Experience in similar circumstances at the time of the Korean war, when the United Kingdom came under very heavy pressure from the United States to prevent British ships (including Hong Kong registered ships) from trading to North China and North Korea confirms this. It was thus the found impossible to restrict the voyages of Hong Kong ships by administrative means.
- 4. Nevertheless the pressure of current congressional and public opinion in the United States is of serious proportions and could affect Anglo/U.S. relations generally and more specifically U.S. cooperation over Shodesia if nothing is done to placete it. President Johnson spoke in firm terms about this during the Secretary of State's visit last week. If therefore, Ministers should decide that further steps should be taken to restrict shipping and trade to North Viet-Nam I

/recommend

#### CONFIDENTIAL

recommend with the concurrence of the Board of Trade and the Colonial Office, that the following courses be adopted:-

- (a) We should ensure that the U.S.Authorities are informed of the small and declining amount of British shipping trading to North Viet-Name and the insignificance of this shipping, as well as the cargos they carry, in relation to North Viet-Namese economic or military potential, and of the totally negligible quantity of trade between the U.K. and North Viet-Name. We should also ensure that they are aware of the consideration we have given to possible courses of action, of what we have done to reduce the traffic and of the difficulties which prevent us from doing more short of legislation which we believe would be counter productive.
- (b) In the U.K. the Board of Trade should be enthorised to exchange letters with the Chamber of Shipping and to apeak to British shipowners with the object of encouraging them to reduce and eventually stop altogether the few U.S. ships visiting North Viet-Namese ports.
- (c) In Hong Kong the Governor would be instructed to take whatever similar action was open to him to try to reduce the number of Hong Kong ships visiting North Viet-Ham.
- could best be implemented by agreeing to the U.S. proposal that

  Mr. Anthony Solomon, Assistant Secretary for Moonomic Affairs should come
  to London for talks. He could then be given the facts of the situation
  as in paragraph 4(a) above and be told in general terms of the action
  proposed under 4(b) and (c). A draft telegram to tashington is attached.

  6. If on the other hand Ministers should decide that no further
  action to restrict shipping or trade should be taken we should try to
  discourage the visit of Mr. Solomon and to encourage the earlier U.S.
  proposel to which we had agreed for discussion at an official working level.

7. Similar submissions covering copies of the documents listed in paragraph 2 above are being made to the President of the Board of Trade and the Colonial Secretary.

CONFIDENTIAL

American Complaints about British Ships calling at North Vietnamese Ports

American complaints that British ships calling at North Vietnamese ports were helping the North Vietnamese war effort have been soind on for over a year. Initially these came only from isolated Congressmen, but in March 1965 they were taken up by the State Department and in June the British, Creek and Norwegian Embassies in Washington received an official complaint on the subject from the State Department. Our policy, in accordance with the Prime Minister's minute of 14th June, 1965, in which he said "I presume that we are not giving way at all on this", has, been to try to convince the United States Government and American Congressional and public opinion that the few British ships engaged in trade to North Viet Nam afford no significant assistance to North View Nam. In the last week or so, however, Her Majesty's Ambassador at Washington has told us that public feeling on this issue in the United States has greatly increased in intensity. The United States Government, faced with strong criticism from Congressmen and Senators for the alleged failure for American diplomacy on this issue, are now urging us with greatly increased emphasis to take measures to prevent ships flying the British flag from calling at North Vietnamese ports.

- The essential facts are that about 21 ships flying the British flag are engaged in this traffic. Three of these are genuinely British ships, but on charter. The remaining 18 are owned in Hong Kong and most of them are registered there. The majority of these ships are either owned or chartered by Chinese Communist enterprises in Hong Kong. None of these ships carry materials on the agreed embergo list and most of their voyages to North Viet Nam are in fact made in ballast, the purpose being to pick up North Vietnamese export cargoes on arrival. During 1965 ships flying the British flag made a total of 75 calls at North Vietnamese ports (less than half the figure for 1964).
- 3. Actual trade between the United Kingdom and North Viet Nam is even more insignificant; experts and imports together were worth less than \$190,000 in 1965. Comparative figures to show the trade maintained by other Western countries with North Viet Nam are hard to come by but such figures

as we have suggest that several other Western countries have been doing for more trade with North Vist New than we have.

- As Nevertheless American attitudes on this question are primarily determined by emotional considerations and much recent use has been made of the argument that Eritain is not rediprocating American co-operation over sanctions on Rhodesia. It has accordingly seemed prudent to examine urgently what measures could be adopted, if Ministers so decided, to meet American wishes and to restrict this trade. It has been assumed that Ministers would not wish to introduce special logication for this purpose and consideration is accordingly being given only to those measures of an administrative character.
- 5. While this work is in progress, we have thought it better to resist the American desire to send a senior official to Lomion for immediate discussions. Instead American officials have been invited to come to London for a purely factual exchange intended to make clear the very limited character of this traffic and the nature of the problems confronting us.

### STATISTICAL INFORMATION OR SHIPPING AND TRADE VICT NORTH VIET-NAM

#### 1. SHIPS

Lists showing the number of visits by Eritish ships (including the United Kingdom, Hong Kong, Bermudan, etc.,), visiting North Viet-Nam in 1964 and 1965 are at Annex A. These lists are based on information assembled in Hong Kong and whilst there may be minor inaccuracies are considered reliable in the trends they show.

2. In addition we know from the most recent figures available for the last quarter of 1965, 21 British flag ships in all were involved registered in Bermude, Hong Kong and the United Kingdom, of these:

3 were of gonuine British ownership (all on charter)

18 were ewned by Hong Kong owners, of which 10 are owned by the Ocean Tramping Group (C.P.C. controlled).

5 are owned by Chinase/Hong Kong interests

3 are owned by British/Hong Kong interests (2 or 3 of which were on Japanese charter.

#### 11. CARCOES

We have cargo details of 25 journeys from Hong Kong to North Viet-Nam made in the period 1 January - 22 September, 1965. In 18 of these the ships left in ballast to pick up cargoes in North Viet-Nam. In 7 they left with cargo (such as fertilizer and general cargo averaging 5,290 tons on each occesion).

2. Of the 15 errivals in Mong Kong from North Viet-Namese ports 10 carried cargo in transit. 5 unlocated cargo.

#### III\_TRADE

The latese figure for U.K./North Viet-Namese trade in 1965 shows a total of exports and imports valuing less than £190,000 (U.K. exports were £70,000, U.K.impo ts £119,000).

2. In 1963 (the most recent year for which many countries have statistics available) total exports and imports for the following countries

amounted to:-United Kingdom 174,000 U.S.dollers Swedish 180,000 West German 513,000 Japanese 14,639,000 1,502,000 Belgian French Italian 2,757,000 U.3.3.R. 86,420,000

We do not believe that the 1964 pattern was materially different.

Number of visits by British ship (including the United Kingdom, Hong Kong, Bernudan, etc.) visiting North Viet-Nam.

	1964	1965
Jamury	14.	11
February	1/4	12
March	17	5
April	20	1
May	16	1
June	9	5
July	12	
August	16	2
September	13	3
October	11	12
November	11	14
December	15	9
	168	75

## POSSIBLE HRABURES AND THEIR LIKELY REPERCUSSIONS.

1. To control United Kingdom shipping.

From the facts available to us at present, there seems to be no likelihood that ships owned and controlled in the United Kingdom will visit North Vietnamese ports except possibly for the few under long term charters without exclusion clauses. There is, therefore, no further action affecting those ships that the Government can take, short of legislation, except to appeal to shipowners to continue their present restraint and to terminate, as soon as possible, outstanding charters which might permit visits to North Vietnam. (The position of ships owned and registered in Hong Kong is, of course, entirely different).

In these circumstances the following courses of action might be considered:

(1) We could use the opportunity of discussion in the Working Group of officials which has been proposed, to bring hom to the Americans the limited involvement of United Kingdom owned and registered ships. We could provide a statement showing the ships which have traded from Hong Kong and the United Kingdom to North Vietnam during 1965, together with some analysis of the cargo carried. We might also egree with the Administration a statement for publication about the current attitude and activities of United Kingdom shipowners. We could include in this statement some information about the activities of British flag ships

/trading

trading from Hong Kong which would how that they did not carry vital supplies.

- American authorities informed from time to time about the nature of the cargoes being carried from Hong Kong to North Vietnam or, if there should be any, from the United Kingdom. A similar arrangement was made on a very informal basis, through the Ministry of Transport and the Shipping Attache in Washington, at the time of the embargo on Cuba and it was helpful in preventing trouble. The American authorities probably know almost as much about the nature of the North Vietnam traffic as we do, but if they receive a statement from time to time, officially or semi-officially, it might put the Administration in a better position to check irresponsible statements by Congressmen.
- (iii) We might agree with the Chamber of Shipping an exchange of letters between the President of the Board of Trade and the President of the Chamber of Shipping which might be shown to the American authorities and might or might not be published. These letters would set out the position, so far as vessels genuinely under British control are concerned, and contain an appeal to terminate existing charters as soon as possible. Something on these lines has been done between the Norwegian Covernment and shipowners and has, apparently, gone a long way to satisfy American congressional and public opinion.
- decision to apply to ships tracing with North Vietnam the same kind of sanction which they are at present applying to ships tracing with Cuba. That is to say they will publish, every month, a cumulative "blacklist" of ships that have traded with North Vietnam and those ships will be denied the privilege of carrying any United States Government generated cargo. There would presumably be, however, a procedure for shipowners to release them we was also from the blacklist by entering into an undertaking not to allow any ships in their fleet to trade with North Vietnam in future. Shipowners with vessels on long term charter

authorities to remove their ships from the blacklist as econ as the charter expires. Because of the special circumstances in North Vietnam, the Chamber of Shipping would probably be prepared to ask their member companies to take action to get themselves removed from the blacklist, although neither they nor we would regard this as desirable in the case of Cuba. We would need to ensure, if we took this action, that the Americans had no justification for later regarding it as a precedent for dealing with ships operating to Cuba.

to North Vietnam, for example by threatening to search them, or by retaining them for examination, the Insurance Clubs might regard this as sufficient risk to justify refusing insurance to ships trading to that area and that might be enough to enable shipowners to break existing charter parties or refuse to visit North Vietnam, The Chamber of Shipping advise, however, that the Insurance Clubs would not take such a step unless there was a serious risk of the use of physical force or a real physical danger to shipping. There is no question of the Insurance Clubs refusing insurance in present circumstances,

II. To Control Hong Kong Shipping.

When this problem was last studied in the context of
the Korean war, it was found impossible to take any effective
administrative measures. The United Kingdom came under heavy
pressure from the U.S.Congress, particularly Senator MacCarthy,
shortly after China entered the Korean war, to prevent British ships
(including Hong Kong registered ships) from trading to China and
North Korean ports. It was found impossible to restrict the
voyages of Hong Kong ships to these ports by administrative means,
such as official discouragement by letter or interview with the ship
owners concerned or by the application of more rigorous safety
controls, and the only practical measure then adopted was an order
forbidding the carrying of strategic materials in Hong Kong or other
British ships to these territories. The powers under which this
order was made have been repealed. We are nevertheless achieving the

same effect on direct brade to North Vietnam through strategic controls.

In the present circumstances and subject to comment from the Governor, who has been consulted and not yet replied, the only possible courses of action seem to be:-

- (1) Official discouragement possibly by means of a letter through the Director of Marine exhorting ship owners to refrain from trading to North Viet-Nam.
- (ii) Strict enforcement of regulations e.g. safety,
  recruitment of crew etc., with the aim of restricting
  the activity of ships engaged in trade with North
  Vietnam.

#### III. TRADE

United Kingdom/North Viet-Namese trade is negligible in quantity and importance. It is of course subject to the usual strategic controls. Theoretically it would be quite simple to impose an embergo on this trade. The Board of Trade have power, under the Import Export and Customs (Defence) Act 1939 to make an Export Control Amendment Order, which has the effect of making an export licence obligatory for all or any goods specified when consigned to a given destination (it being understood that no licences would be issued). Such an order could be made without parliamentary approval, although it would not of course be exempt from perliamentary discussion. A complete embargo, which would pose no problems of definition, could be imposed within a week. The question of enforcement is however a good deal more difficult though this would not necessarily detract from the propaganda value. Unless there is a very general embergo it is virtually impossible to prevent onward consignment via third countries.

Hong Kong/North Viet-Namese trade is much larger but still not as great as, for example, Japanese/Forth Viet-Namese trade.

Possible courses of action to limit this would be:-

(i) expulsion of the North Viet-Namese trade delegation.

This would present no difficulty for Hong Kong but would almost certainly provoke retaliation against Her Majesty's Consul General in Hanoi.

(ii)

(ii) introduction of local legislation to place all exports
to North Vietnam under licence and then to refuse to give
the licences thus eliminating the trade. We believe control of
imports however would be more difficult. For Hone Kong to
take action which was not in line with the conduct of other
For Bastern nations, such as Japan, would expose Hong Kong to
severe difficulties.

#### IV. Likely Repercussions

The actions possible in the United Kingdom could if desired all be carried out without attracting undue publicity.

But if for reasons of United States' public opinion it was desired to give publicity, ship owners might not object, although firms involved in trade with China might be critical. However these measures could be expected to provoke considerable criticism from those who already oppose British policy over Vict-Nam and perhaps also from others who, whilst recognising the particular circumstances of the Vict-Nam conflict, might fear such action would be followed by similar measures against ships trading to Cuba and even to China (both having been mentioned with Viet Nam in recent United States protestations).

More direct repercussions can be expected as a result of any action in Hong Kong. Token action (such as official exhortation) might not provoke retaliation by the Chinese. Any measures however which materially affected Hong Kong shipping or trade with North Viet Nam would, in the present political chimate, almost certainly provoke Chinese measures which could affect the morale and economy of the Colony, and pressures which would make it necessary to modify or withdraw positive assistance given to U.S. effort in Viet Nam by the facilities provided by Hong Kong. Chinese suspicions about Hong Kong involvement over Viet Nam conflict have grown progressively since their official protest in September, 1965. This has been emphasised in the last few days by a virulent left-wing press campaign in Hong Kong about Hong Kong's support to U.S.Forces engaged in Viet-Nam. Recently too, the Chinese press have reacted /atrongly

warships, and this campaign may developp further. In additiona possible measures which the Chinese might take against Hong Kong are the harrassing of Hong Kong Fishing vessels in local waters, and interference with water and food supplies. Nevertheless, as seen at the present time, the most likely Chinese reaction would be to create a situation where it would be impossible to afford to the Americans the present support given by Hong Kong to their forces an engaged in Viet-Nam. It is therefore at least in part for the Americans to study where the belance of advantage lies.

Another consideration which Hong Kong has brought to our notice is the intelligence gained from ships' captains who have been in North Vietnemese ports. This may not be of major value but is understood to provide useful collateral and general intelligence on morale, air-raid shelter building, signs of bomb damage, food-shortage etc.

Apart from the direct consequences in United Kingdom or Hong Kong of any actions in these fields there would also be the general problem of creating a precedent for such action. Once it was seen measures such as these could be taken we could find outselves the victims of pressure at a later stage of similar action to be taken, for example over Cuba, or China. The case of North Viet-Nam is unique or so it could be argued, but there is no doubt that once a precedent for extraordinary non-legislative measures has been established it would make it more difficult to maintain our normal defence in these matters, that it is not possible to control shipping or trade except in time of war.

Mr. Sussex



received today to brief him for a meeting which was requested by the U.S. Ambassador and Mr. Solomon (U.S. Under-Secretary, Maconomic Affairs) on the subject of British shipping with North Vietnam. The original submission was signed by Mr. De La Mare (Assistant Under-Secretary of State, Foreign Office) but the sections in the Submission, as they applied to Hong Kong or British Policy were drafted by ourselves and the Board of Trade respectively. In particular you may wish to note that in the recommendations given to the Poreign Secretary, the position of Hong Mong was fully safeguarded. I attach a submission which the Foreign Secretary the position of Hong Kong was fully safeguarded.

A copy of these papers has been sent to Mr. Wallace.

4th February, 1966.

#### PRITISH SHIPPING AND TRADE WITH NORTH VIET-MAN

Pollowing upon the Secretary of State's discussions of this subject with President Johnson and Mr. Rusk last week (Mashington telegram No. 36% of 28 January), Mr. Rusk sent Mr. Solomon, Assistant Secretary, Sconomic Affairs, abruptly to London this week for talks with Pritish officials. Mr. Solomon made it clear before he left Washington that he would be coming to press H.M.C. to prevent British flag ships from trading to North Viet-Nam.

- 2. I have taken the Chair at meetings with Mr. Solomon and his advisors on 2 and 3 February. Officials from the Board of Trade and Colonial Office have been present.
- 3. A record of the first meeting is in Foreign Office telegrap
  No.1332 to Washington of 2 February. Subsequent meetings have reconciled
  the facts of this trade, the number of ships involved, their ownership
  and the eargo carried under Pritish fleg. But we have drawn no further
  new proposals from Mr. Solomon who has repeated, with some heat, that
  the U.S.Covernment expected their major ally, the United Mingdom, to
  prevent ships flying the British flag from "trading with the enemy".
- the Secretary of State to give him a commitment on bohalf of H.M.G. which he could take back immediately to Washington, that:
  - (i) H.W.C. will give active consideration to the possibility of legislative action to prohibit British ships registered in the United Kingdom and Hong Kong from trading to North Viet-Nameso ports.
  - (ii) In addition, H.M.C. will egree in principle to use persuasion and administrative action to pregent those British ships which are not directly controlled or operated by Chinese Communist concerns from trading to North Viet-Dam, (which would be dealt with under (1) above.

Flag 'B'

Flag \*A\*

#### Background

- 5. A detailed ammiysis of the problem and the issues involved was prepared by British officials before Mr. Solomon's errival and submitted to the President of the Board of Trade and the Colonial Secretary. Our own submission was suspended pending the outcome of the talks but I attach it for reference purposes. At annex to the present submission I attach a brief outline of the "facts" on which we have discussed at longth and agreed with the Americans in the past two days, together with a brief summary of the comments which have been advanced by British officials on the proposals which Mr. Solomon has put forward, of which the most important is for legislative action of some kind.
- 6. Although some helf dozen U.K. registered ships are now trading to M. Vietnam, Mr. Solomon has accepted that they will cease doing so when the present charters terminate (in most cases very soon). Essentially therefore we have been discussing what could be done about three U.K. registered ships and about 20 registered in Hong Kong, more than helf of which are controlled or chartered by Chinece Commist concerns and thus not susceptible to persuasion. During the secting I have stressed to Mr. Solomon the political difficulties which would confront H' . G. if they took any action, legislative or administrative, against British ships in this trade. I have also stressed, against Mr. Solomon's reluctance to agree, that the question of British flag ships trading to North Viet-Ham cannot be considered in isolation from the question of North Viet-Ram's trade with the Free World. According to 1963-1964 statistics the biggest traders were Japan, France and West Germany. Our trade was negligible; Er. Solomon maintained that these trading petherns were obsolete because of the bombing of N. Vietnam. He was in any event only concerned with ships and asserted that ships flying the British flag are now carrying the majority of North Vietnam's exports to the Free World, though not of its imports from it.
- 7. Throughout the discussions Mr. Selemon has drawn pointed attention to the U.S. willingness to help us over trade with Mhodesia and

FLAG 'C'

to the success the persuesive measures have had.

8. The delicate political position of Hong Kong has not been discussed in the present talks.

#### Considerations

- The political considerations are twofold: whether any "commitment to study measures" can be given to Mr. Solomon at this stage and the issues likely to be raised if M.M.G. were to take action directed towards satisfying American desires.
- 10. On the immediate problem, any commitment to Mr. Solomon would rapidly be made public in the U.S. as proof to the foluble and emotional criticism there that the Administration had succeeded in persuading M.M.G. into action of some kind. Public opinion on both sides of the Atlantic would then transform a commitment to study the possibility of action into a more or less firm commitment by H.M.G. that such action, would be taken. While this would clearly relieve the U.S.Administration of a very difficult domestic problem, it would equally clearly exacerbate emotions here among critics of H.M.G's policy over Vietnam. In the political atmosphere of the present and coming weeks it would be difficult to avoid accusations that H.M.G. had given firm commitments to the Americans to the detriment of our and Hong Kong's commercial interests.
- short of legislation are many and complex and are best set out in Annex C to the earlier submission. Any fresh legislation, even if based on an enabling earlier/act would clearly have a rough passage through Parliament. Of equal importance is the position of Hong Kong where any legislative or effective administrative action taken in support of American policies over Vietnam would inevitably draw a very strong reaction from Peking which could well have serious political consequences for the Colony.

  For this reason, it is most unlikely that the Covernor would wish to take any action, even if it were in his power to do so.

RECOMMENDATION

12. The Secretary of State may wish to take the following line with Mr. Solomon:

- (a) To remind him that the political delicacy of this problem in the U.K. gives us as much concern as it does in the opposite sense to the U.S. Administration.
- (b) To explain that a commitment in the sense required by Er. Solomon could not be given without fuller consideration by H.M.G.
- (c) To remind him of the extremely exposed and delicate political position of Home Kong, on which the bulk of the problem is control, in the light of the most recent Chinese accusations that the U.S. is exploiting the Colony for their war purposes in Vietnam.
- (d) To remind him of the facilities already provided for the Americans in Hong Kong (normal supply and replemishment facilities for the U.S. Navy and important leave facilities for U.S. troops from Vietnam) which would be endangered.
- (e) But to undertake that H.M.G. will give urgent consideration to the possibility of deterrents by further persuasion and discreet administrative measures I though these are not likely to be effective in Hong Kong if only because many of the ships flying the British flag do not go there frequently.

CYPIER/OTP

SIR P. DEAN

#### FROM WASHINGTON TO FOREIGN OFFICE

No.364 28 January 1966

FRIORITY

DEPARTMENTAL DISTRIBUTION

D. 2347 28 January 1966 R. 0145 29th " "

When the Secretary of State saw President Johnson yesterday the subject of British shipping to North Viet Nam came up. The Secretary of State told the President that it would be very difficult to regislate in order to prevent this trade but that he was willing to make a thorough study of the facts in order to see what could be done by way of administrative action. Since so many of these ships were registered in Hong Kong the Government of Hong Kong would have to be brought in. The Secretary of State said that even if the British flag could be removed from these ships they would no doubt continue to trade, but he assured the President that he was anxious to see what could be done to deal with the matter and a thorough study of the facts was at present being made.

- 2. In reply to the President, supported by Mr. Rusk who was present, emphasised the highly explosive nature of this question in Congress. Mr. Rusk said that it was inextricably tied up in the minds of Congress with Rhodesia, and that if a vote were to be taken of Congress on the question of sanctions for Rhodesia the probable result would be 3 to 2 against, whereas if the question of British ships trading to North Viet Nam was not involved the position would probably be reversed.
- 3. I understand that Mr. Rusk spoke on similar lines to the Secretary of State when he saw him alone shortly before the meeting with the President. I must stress that it is not the amount of the trade or its character, both of which are very small and of no value to the Viet Minh war effort, which is causing such serious trouble here. It is the fact that so many of the ships concerned are flying the British flag, even though they may be owned by or on long-term charter to non-British and often Communist concerns. I have often been strongly attacked on this by a member of the Congress Foreign Affairs Committee, who bore out exactly what we have been hearing from Rusk and other members of the Administration.

SECRET

#### ANNEX

I. Facts on British flag ships trading to North Viet-Nam, as agreed with United States Officials.

#### Ships

(1) 9 U.K.ships have been operating to North Viet-Nam. 6 of these are under timecharters, most of which would expire within the next two months. The owners have assured us that the charters will not be renewed unless clauses are included prohibiting trade with North Viet-Nam. The remaining three ships belong to a Greek Company registers in London. We are pursuing with H.M.Ambassador in Athems the possibility of persuading the Greek Government to urge the Company not to employ the vessels for trade with North Viet-Nam

(ii) About 20 British ships based in Hong Kong have been trading to North Viet-Nam. The majority of these are owned by Chinese Comminist interests.

#### Employment

These British ships are not carrying strategic cargoes, or for the most part any cargoes, to North Viet-Nam. They are mostly engaged in carrying anthracite coal from North Viet-Nam to Japan and pig iron to Hong Kong.

#### II. Considerations advanced by British officials in discussions

- 1. H.M.G. have no power to remove from British registration (whether in the United Kingdom or elsewhere in the Colonies) ships owned by individuals or companies having their principal place of business in H.M.Dominions.
- 2. Mr. Solomon raised the question of whether a control of trade by sea order comparable to that issued at the time of the Korean War could now be made in respect of Viet-Nam. He was told that the powers in this respect had been repealed.
- 3. Mr. Solomon's major request was for H.M.G. to take action by an Order in Council under Section 3 of the Emergency Laws (Re-enactment and Repeals) Act 1964 to prohibit the transport of any goods to or from North Viet-Nem in British ships. He was informed that:
  - (a) when this Bill was presented in Parliament in 1964,
    H.M.G. made it clear that the Section which Mr. Solomon thought
    had validity was designed solely to prevent resales of
    strategic materials to the Sino-Soviet bloc under COCOM
    agreements.
  - (b) on the other hand, we agree that the wording of the Act was in somewhat broader language than strictly required for the purpose for which the Bill was introduced.
  - (c) an Order made under this Act would be subject to negative resolution in the House of Commons and we could expect considerable Parliamentary apposition on political and legislative grounds to action beyond the intended scope of the original legislation.
  - (d) in any case, even if an Order, of the sort desired by the Americans, was possible, it could not be enforced except by prosecution in U.K. courts and the prospect of a Hong Kong master of an offending ship being available in the U.K. was remote.

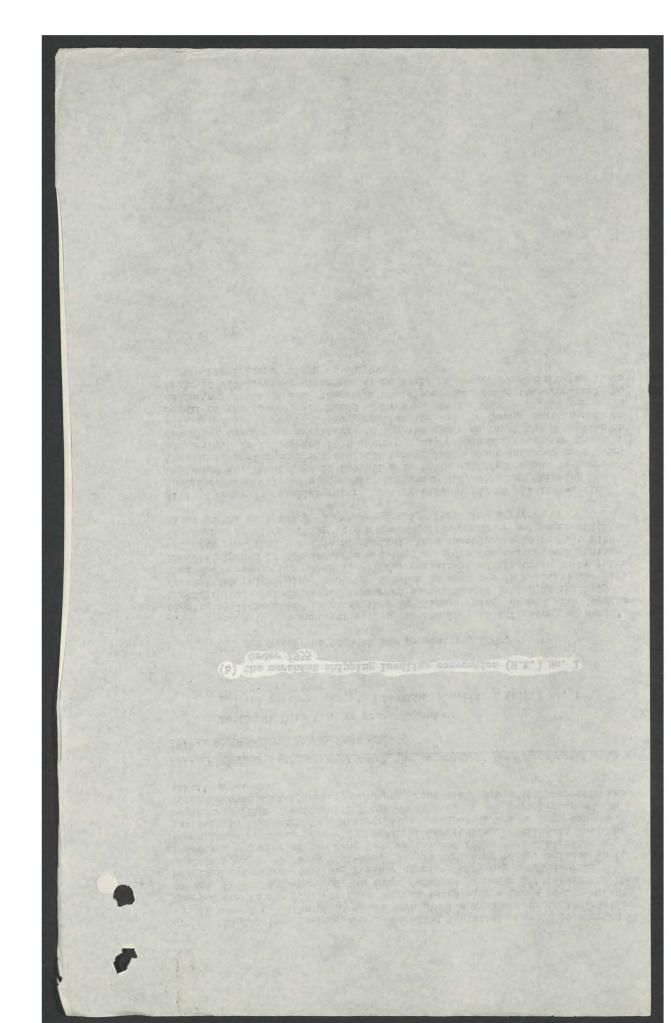
[alore Live?]

4. Legislation in Hong Kong. Parallel legislation could be carried out in Hong Kong although it would have similar limitations as legislation carried out in the U.K. [We have been in touch with a large number of ship owners, including owners of the ships referred to under 1(i) above and have received assurances that any further charters they may conclude will exclude voyages to North Viet-Nam. It was explained to Mr. Solomon that, since the majority of the Hong Kong registered ships were controlled by Communist companies, persuasion would be ineffective. Whilst it would be possible to take certain administrative measures to hamper Hong Kong registered ships trading with North Viet-Nam, it was the opinion of the Governor that administrative measures alone would not greatly curtain the ships' movements.

III. Administrative measures which the Governor of Hong Kong could take (N.B. Not explained to Mr. Solomon).

Action in Hong Kong is possible under:

- (a) the merchant shipping loadline convention (H.K.) No. 1 Order, 1935; or
- (b) The Safety of Life at Sea Convention, 1960.
- 2. Under (a), a surveyor can be sent to inspect efficiency of ships' closing appliances and to check that loadline markings accord with loadline certificates. Unless vessel concerned is overloaded (which is unlikely for British ships going to North Viet-Nam as most are in ballast) the most that the surveyor can do is to ask for certain remedial action to be taken immediately and if not to serve a detention order on master until matter has been rectified. But it is unlikely that surveyor would be able with any degree of plausitility to ask for more than minor repair work which might at the most delay clearance of ships for a few days.
- 5. Under (b) similar powers of inspection apply to all life-saving appliances and related equipment. But under H.K. Merchant Shipping Ordinance No, 14 of 1953 if detention is to be extended beyond 24 hours the owner, master or agent can call for an independent addessor or a court of survey. If it appears that there was not reasonable cause for the detention Government are liable to pay the owner costs of the detention as well as of the surveys and compensation for loss or damage sustained as a result of the detention. These might vary between £500 £1,000 per day, depending on the size of the ship. This procedure could therefore only be employed with great caution and there would be severe risks in using it to impose significant delays on shipping.



CONGUDENTIAL C.S. 41A 2600078 30,000-4/65-B47951 REF. SCR 7/5401/56II

36 48

COLONIAL SECRETARIAT LOWER ALBERT ROAD HONG KONG

February 4th, 1966.

Dea By 8/2

You will have seen from our telegram No. 87 of January 29th that the U.S. Consulate-General recently raised with us the question of Hong Kong shipping to North Vietnam and informed us of a U.S. decision to penalise ships which arrived in North Vietnamese ports.

I had a fairly full discussion of this at the time with Oscar Armstrong, the Deputy Consul-General and Olsen, the Chief Commercial Officer in the Consulate-General. Olsen told me that he understood that the U.S. Embassy in London had instructions to inform the Foreign Office of the U.S. decision; and that he believed that it was only the first instalment of action by the U.S. to stop this traffic. He was obviously under the impression that a number of British shipping firms would be hard hit by the U.S. decision. I thought it right to go fully with him into such details as we have about the traffic, and I made most of the points in our telegrams Nos. 49 of January 17th and 76 of January 26th. It is in fact quite obvious that the overwhelming majority of ships engaged in the trade have already been "designated" by the Americans as being Chinese Communist owned and are therefore ineligible in any case to carry U.S. cargoes. Olsen had it in mind that a substantial number of ships were owned by concerns like the World Wide Shipping Company, which do substantial business in the American hemisphere and would therefore be seriously affected by being debarred from carrying U.S. cargoes; but I think that I convinced him that at the most three or four vessels came into this category.

Although from the economic point of view trade with North Vietnam is only of marginal interest to Hong Kong, I do not think that there can be much doubt that official action to interfere with it would not be very well received here. The subject has, during the last few days, been discussed fairly widely in the press; and you may be interested in the attached cuttings from the "Star" of January 31st which purport to give the reactions of

/the

W.S. Carter, Esq., C.V.O., Colonial Office, London. S.W.1.

COLONIAL SECRETARIAT

LOWER ALBERT ROAD HONG KONG

-2-

the Chinese man-in-the-street to the problem. (So far as I know, the "Star" has no particular axe to grind on this issue.) I assume from your telegram No. 118 that there is little possibility of H.M.G. introducing legislation to deal with the problem, and I hope it is right to assume that there is equally little possibility of Hong Kong being invited to legislate on the issue. I think it would be right to expect that anything of the sort would be unpopular, to say the least, with the Unofficial Members of Council.

From the Hong Kong point of view, I think that there can be no doubt that overt U.S. action to interfere with trade on the lines of the ban referred to above is considerably preferable to undertakings by H.M.G. to do the Americans' work for them. Chinese reactions are likely to be sharp in any case; but they will be much sharper if H.M.G. can really be shown to be acting as what they are pleased to call "running-dogs" of the Americans.

I am copying this letter to Cable in the Foreign Office and to Trench in Washington.

Your and

(T.A.K. Elliott)

U.S. congressman's plan to stop Hongkong ships trading with North Vietnam from using United States ports aroused anger among people interviewed today.

today.

Following the news, The STAR asked people what they thought.

Mr S. Ng of Shauki-wan said: "it's a ridiculous statement. I feel it's a very wrong step to take.

"This trade between Hongkong and North Victnam, has got nothing to do with the military."

"It seems the US Government is trying to hamper our shipping industry."

Mr W. Chang said: "Plans of this type are very undiplomatic. So long as we are not carrying any weapons to North Victnam, why should our ships be banned.

"We would never come up with a statement like banning the US Enferprise because she has been maged in the Victnam war." "It would be a childish way of thinking."

Expansion

#### Expansion

Expansion

Mr Y. T. Man: "Our shipping Industry operates on the basis of expansion and booming business.

"We're not concerned with politics. As long as our ships are paid well to carry cargo we will do it, and we shall carry them anywhere in the world.

"You don't fitxpolities with supping."

Mr Yuen Wing-yu: "The only reason I would ban Hongkong ships from trading to North Vietnam is for the safety of our crews.

crews.

"With the war raging, crew members are in langer.
"Banning our ships from going to U.S. ports will make us feel as if we're going to contaminate the United States with North Vietnamese propaganda,"

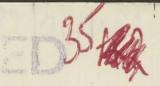






. . W\_ CHANG

DV 1192/9 R



S. Ross, Esq.,

Colonial Office.

With the compliments of
THE SOUTH-EAST ASIA
DEPARTMENT



FOREIGN OFFICE, S.W.1.

4 February , 1966



# RESTRICTED



SCR 27/65

Jamuary 17, 1966.

DV 103145/182

(65) (63-65) I am sorry that we have not responded sooner to your letter (71620/65) of July 23, 1965, about the allegation that the Viet Cong are obtaining arms and ammunition through the black market in Hong Kong. We can only say we have no reason whatsoever and certainly no evidence for thinking that the Viet Cong obtain any arms in Hong Kong.

2. I am copying this letter to Cable in South East Asia Department and to Ford in Saigon.

3. I am sending copies of this letter to Cable in the Foreign Office and to Ford in Saigon.

(T.A.K. Elliott)

N.C.C. Trench, Esq., British Embassy, WASHINGTON.

RESTRICTED

By Bag

#### INWARD SAVING TELEGRAM

#### FROM MASHINGTON TO FOREIGN OFFICE

Sir P. Dean

No. 25 Saving 3 February, 1966 DEPARTMENTAL DISTRIBUTION
R. 5 February, 1966

Addressed to Fercian Office telegram No. 25 Saving of 3 February.

Repeated for information Saving to: Saigon No. 13

Heng Kong No. 1

#### British Shipping and North Viet Nam

The following is the text of a letter of 21 January, 1966 from Mr. MacArthur (State Department Assistant Secretary for Congressional Relations) to Senator Fulbright (Chairman of Senate Forcign Relations Committee):

"The Department of State shares the deep concern you have expressed over continued voyages of free world ships to North Vietnam and is making continuing efforts to reduce that shipping. High-level approaches have been made to all countries involved.

"These efforts have met with considerable success and the number of free world vessels in the trade has been diminishing steadily, with none of the vessels carrying strategic cargoes. During 1965 the number of voyages by free world vessels declined considerably as compared with 1964. The decrease has been particularly significant during the past 5 months, when the monthly average was only 13 calls. By comparison the monthly average of free world calls in 1964 was 34. The majority of these vessels were not carrying goods to North Vietnam, but were arriving in ballast to pick up outgoing cargoes.

"The free world shipments in question are not being made by the governments concerned but by private traders in ships sailing under various national registries. Each country has special legal problems in controlling such shipping which take some time to resolve, but we have been making every effort to obtain early and effective action.

"In making diplomatic representations, the executive branch is mindful of the provisions of the recent emendments to foreign assistance legislation which calls for the denial of economic and military aid to countries that do . not take appropriate steps to remove their ships from the North Vietnam trade. We have notified all affected governments of these legislative provisions, and have continued to press them to obtain maximum cooperation from those very few countries still having ships in the trade.

## Washington telegram No. 25 Saving to Foreign Office

"The only aid-recipient countries whose ships have called at North Vietnamese ports within the past 6 months, and some of these were under long-term charter to Communist countries and therefore not under control of their owners, were Cyprus, Greece, Liberia, and Norway. Some of these countries state that they have no legal authority to control in peacetime the movement of privately owned vessels but the Lebanese and Liberian Governments have issued regulations making it unlawful for their ships to carry cargo to or from North Vietnam. In other cases, the shipowners in the countries concerned have obviously found it in their own interest to get out of the trade, as witnessed by the drastic reduction, and in some cases complete elimination, of their involvement in shipping to North Vietnam.

"Questions have been raised as to the position of Great Britain on the problem. The great majority of British vessels in the North Vietnam trade are small coastal vessels owned and registered in Hong Kong and under time charter to Communist operators, yet carrying the British flag. The value of total British trade with North Vietnam (imports and exports) amounted to about \$265,000 in 1964 and all of it was nonstrategic. Nonetheless, we are engaged in energetic representation to the United Kingdom and other friendly countries who have been involved in the North Vietnam trade in order to accomplish withdrawal of all free world shipping from that trade."

#### DISTRIBUTED TO:

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S.E.A.D.
J.M.I.D.
General Dept.
C.R.O. F.E. and P.Dept.
Gen and Mig Dept.

#### SECRET

#### FROM WASHINGTON TO FOREIGN OFFICE

Cypher/OTP

DEPARTMENTAL DISTRIBUTION

Sir P. Dean

No. 409 2 February, 1966

D: 1915 2 February, 1966 R: 2040 2 February, 1966

IMMEDIATE SECRET

Addressed to Governor Hong Kong telegram No. 19 of 2 February,

Repeated for information Priority to: Foreign Office

and Saving to:

Saigon

FAR EASTERN

14 FEB 1966

Hanoi.

Shipping to North Viet Nam.

Congressman Fino, a member of the Veteran's Affairs Committee, gave notice at the week-end that he intended to table a Bill penalising foreign shipping which did business with North Viet Nam. The Bill would close all United States ports to vessels "while engaged in trade or commerce with North Viet Nam or while engaged on any voyage during which such vessel had engaged in trade or commerce with North Viet Nam" except in case of emergency.

In a statement to the Press which was extremely hostile to Britain, Fino alleged inter alia that Her Majesty's Government had refrained from "halting crucial oil shipments to North Viet Nam". This presumably refers to the batch of petrol referred to in paragraph 1 (b) of your telegram No. 76 to the Colonial Office. I should be grateful if you would telegraph urgently the quantity and type of petrol concerned and would confirm that it is not covered by Cocom list item No. 1770. It would be helpful also to know the status of the ship or ships which carried the petrol, i.e. Hong Kong British owned, on charter to the Ocean Tramping Group, or whatever the case may have been, and whether there is any objection from your point of view to using this information with the Press or Congressmen.

/Foreign Office

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#### SECRET

#### Washington telegram No. 409 to Foreign Office

- 2 -

Foreign Office pass Immediate to Gov. Hong Kong No. 19 and Saving to Saigon No. 12 and Hanoi No. 5.

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American Dept.

South-East Asia Dept.

Economic Relations Dept.

Oil Dept.

J.R.D.

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JJJJJ

SECRET



#### BRITISH SHIPPING AND TRADE WITH NORTH VIET-NAM

Officials of the Board of Trade, the Colonial Office and the Foreign Office have been considering what measures short of legislation could be taken should Ministers decide some action was desirable to meet American pressure to stop or to reduce the amount of ships under the British Flag trading to North Viet-Namese ports and possibly to reduce trade with North Viet-nam (although this is a less heated issue).

- 2. The following papers covering this question are attached:-
  - (a) A background Note on the Evolution of the Problem.
  - (b) Such statistics as are available on the amount of British shipping trading to North Viet-Nam and on U.K. North Viet-Namese trade.
  - (c) Lists of possible measures which might be considered and their likely repercussions.
- 3. These papers show that very little can be achieved by administrative action short of legislation that would not lead to serious consequences, particularly in the case of Hong Kong. Experience in similar circumstances at the time of the Korean war, when the United Kingdom came under very heavy pressure from the United States to prevent British ships (including Hong Kong registered ships) from trading to North China and North Korea confirms this. It was thus found impossible to restrict the voyages of Hong Kong ships by administrative means.
- 4. Nevertheless the pressure of current congressional and public opinion in the United States is of serious proportions and could affect Anglo/U.S. relations generally and more specifically U.S. cooperation over Rhodesia if nothing is done to placate it. President Johnson spoke in firm terms about this during the Secretary of State's visit last week. If therefore, Ministers should decide that further steps should be taken to restrict shipping and trade to North Viet-Nam I

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recommend with the concurrence of the Board of Trade and the Colonial Office, that the following courses be adopted:-

- (a) We should ensure that the U.S.Authorities are informed of the small and declining amount of British shipping trading to North Viet-Nam and the insignificance of this shipping, as well as the cargoes they carry, in relation to North Viet-Namese economic or military potential, and of the totally negligible quantity of trade between the U.K. and North Viet-Nam. We should also ensure that they are aware of the consideration we have given to possible courses of action, of what we have done to reduce the traffic and of the difficulties which prevent us from doing more short of legislation which we believe would be counter productive.
- (b) In the U.K. the Board of Trade should be authorised to exchange letters with the Chamber of Shipping and to speak to British shipowners with the object of encouraging them to reduce and eventually stop altogether the few U.S. ships visiting North Viet-Namese ports.
- (c) In Hong Kong the Governor would be instructed to take
  whatever similar action was open to him to try to reduce
  the number of Hong Kong ships visiting North Viet-Nam.
- 5. If Ministers decide action should be taken on these lines it could best be implemented by agreeing to the U.S. proposal that
  Mr. Anthony Solomon, Assistant Secretary for Economic Affairs should come to London for talks. He could then be given the facts of the situation as in paragraph 4(a) above and be told in general terms of the action proposed under 4(b) and (c), A draft telegram to Washington is attached.
- 6. If on the other hand Ministers should decide that no further action to restrict shipping or trade should be taken we should try to discourage the visit of Mr. Solomon and to encourage the earlier U.S. proposal to which we had agreed for discussion at an official working level.

7. Similar submissions covering copies of the documents listed in paragraph 2 above are being made to the President of the Board of Trade and the Colonial Secretary.

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American Complaints about British Ships calling at North Vietnamese Ports

American complaints that British ships calling at North Vietnamese ports were helping the North Vietnamese war effort have been goind on for over a year. Initially these came only from isolated Congressmen, but in March 1965 they were taken up by the State Department and in June the British, Greek and Norwegian Embassies in Washington received an official complaint on the subject from the State Department. Our policy, in accordance with the Prime Minister's minute of 14th June. 1965, in which he said "I presume that we are not giving way at all on this", has, been to try to convince the United States Government and American Congressional and public opinion that the few British ships engaged in trade to North Viet Nam afford no significant assistance to North View Nam. In the last week or so, however, Her Majesty's Ambassador at Washington has told us that public feeling on this issue in the United States has greatly increased in intensity. The United States Government, faced with strong criticism from Congressmen and Senators for the alleged failure for American diplomacy on this issue, are now urging us with greatly increased emphasis to take measures to prevent ships flying the British flag from calling at North Vietnamese ports.

- 2. The essential facts are that about 21 ships flying the British flag are engaged in this traffic. Three of these are genuinely British ships, but on charter. The remaining 18 are owned in Hong Kong and most of them are registered there. The majority of these ships are either owned or chartered by Chinese Communist enterprises in Hong Kong. None of these ships carry materials on the agreed embargo list and most of their voyages to North Viet Nam are in fact made in ballast, the purpose being to pick up North Vietnamese export cargoes on arrival. During 1965 ships flying the British flag made a total of 75 calls at North Vietnamese ports (less than half the figure for 1964).
- Actual trade between the United Kingdom and North Viet Nam is even more insignificant: exports and imports together were worth less than £190,000 in 1965. Comparative figures to show the trade maintained by other Western countries with North Viet Nam are hard to come by but such figures

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as we have suggest that several other Western countries have been doing far more trade with North Viet Nam than we have.

- 4. Nevertheless American attitudes on this question are primarily determined by emotional considerations and much recent use has been made of the argument that Britain is not reciprocating American co-operation over sanctions on Rhodesia. It has accordingly seemed prudent to examine urgently what measures could be adopted, if Ministers so decided, to meet American wishes and to restrict this trade. It has been assumed that Ministers would not wish to introduce special legislation for this purpose and consideration is accordingly being given only to those measures of an administrative character.
- 5. While this work is in progress, we have thought it better to resist the American desire to send a senior official to London for immediate discussions. Instead American officials have been invited to come to London for a purely factual exchange intended to make clear the very limited character of this traffic and the nature of the problems confronting us.

#### STATISTICAL INFORMATION ON SHIPPING AND TRADE WITH NORTH VIET-NAM

#### 1. SHIPS

Lists showing the number of visits by British ships (including the United Kingdom, Hong Kong, Bermudan, etc.,), visiting North Viet-Nam in 1964 and 1965 are at Annex A. These lists are based on information assembled in Hong Kong and whilst there may be minor inaccuracies are considered reliable in the trends they show.

2. In addition we know from the most recent figures available for the last quarter of 1965, 21 British flag ships in all were involved registered in Bermuda, Hong Kong and the United Kingdom, of these:

3 were of genuine British ownership (all on charter)

- 18 were owned by Hong Kong owners, of which 10 are owned by the Ocean Tramping Group (C.P.G. controlled).
- 5 are owned by Chinese/Hong Kong interests
- 3 are owned by British/Hong Kong interests (2 or 3 of which were on Japanese charter.

#### 11. CARGOES

We have cargo details of 25 journeys from Hong Kong to North Viet-Nam made in the period 1 January - 22 September, 1965. In 18 of these the ships left in ballast to pick up cargoes in North Viet-Nam. In 7 they left with cargo (such as fertilizer and general cargo averaging 3,290 tons on each occasion).

 Of the 15 arrivals in Hong Kong from North Viet-Namese ports 10 carried cargo in transit, 5 unloaded cargo.

#### III TRADE

The latese figure for U.K./North Viet-Namese trade in 1965 shows a total of exports and imports valuing less than £190,000 (U.K. exports were £70,000, U.K.imports £119,000).

2. In 1963 (the most recent year for which many countries have statistics available) total exports and imports for the following countries

amounted to:-United Kingdom 174,000 U.S.dollars 180,000 Swedish 513,000 West German 14,689,000 Japanese 1,502,000 Belgian 6,063,000 French Italian 2,757,000 86,420,000 U.S.S.R.

We do not believe that the 1964 pattern was materially different.

Number of visits by British ships (including the United Kingdom, Hong Kong, Bermudan, etc.) visiting North Viet-Nam.

	1964	1965
		11
January	14	11
February	14	12
March	17	5
April	20	1
May	16	1
June	9	5
July	12	- 4
August	16	2
September	13	3
October	11	12
November	11	14
December	15	9
	168	75

## POSSIBLE MEASURES AND THEIR LIKELY REPERCUSSIONS.

1. To control United Kingdom shipping.

From the facts available to us at present, there seems to be no likelihood that ships owned and controlled in the United Kingdom will visit North Vietnamese ports except possibly for the few under long term charters without exclusion clauses. There is, therefore, no further action affecting those ships that the Government can take, short of legislation, except to appeal to shipowners to continue their present restraint and to terminate, as soon as possible, outstanding charters which might permit visits to North Vietnam. (The position of ships owned and registered in Hong Kong is, of course, entirely different).

In these circumstances the following courses of action might be considered:

(i) We could use the opportunity of discussion in the

Working Group of officials which has been proposed, to

bring home to the Americans the limited involvement

of United Kingdom owned and registered ships. We could

provide a statement showing the ships which have

traded from Hong Kong and the United Kingdom to

North Vietnam during 1965, together with some analysis

of the cargo carried. We might also agree with the

Administration a statement for publication about the

current attitude and activities of United Kingdom

shipowners. We could include in this statement some

information about the activities of British flag ships

/trading

trading from Hong Kong which would show that they did not carry vital supplies.

- (ii) We might extend this arrangement by agreeing to keep the

  American authorities informed from time to time about the nature

  of the cargoes being carried from Hong Kong to North Vietnam or,

  if there should be any, from the United Kingdom. A similar

  arrangement was made on a very informal basis, through the

  Ministry of Transport and the Shipping Attache in Washington, at

  the time of the embargo on Cuba and it was helpful in preventing

  trouble. The American authorities probably know almost as much
  about the nature of the North Vietnam traffic as we do, but if they

  receive a statement from time to time, officially or semi-officially,

  it might put the Administration in a better position to check

  irresponsible statements by Congressmen.
- (iii) We might aagree with the Chamber of Shipping an exchange of letters between the President of the Board of Trade and the President of the Chamber of Shipping which might be shown to the American authorities and might or might not be published. These letters would set out the position, so far as vessels genuinely under British control are concerned, and contain an appeal to terminate existing charters as soon as possible. Something on these lines has been done between the Norwegian Government and shipowners and has, apparently, gone a long way to satisfy American congressional and public opinion.
- (iv) We understand that the United States have recently taken a decision to apply to ships trading with North Vietnam the same kind of sanction which they are at present applying to ships trading with Cuba. That is to say they will publish, every month, a cumulative "blacklist" of ships that have traded with North Vietnam and those ships will be denied the privilege of carrying any United States Government generated cargo. There would presumably be, however, a procedure for shipowners to release their vessels from the blacklist by entering into an undertaking not to allow any ships in their fleet to trade with North Vietnam in future. Shipowners with vessels on long term charter

would also be able to enter into an agreement with the American authorities to remove their ships from the blacklist as soon as the charter expires. Because of the special circumstances in North Vietnam, the Chamber of Shipping would probably be prepared to ask their member companies to take action to get themselves removed from the blacklist, although neither they nor we would regard this as desirable in the case of Cuba. We would need to ensure, if we took this action, that the Americans had no justification for later regarding it as a precedent for dealing with ships operating to Cuba.

to North Vietnam, for example by threatening to search them, or by retaining them for examination, the Insurance Clubs might regard this as sufficient risk to justify refusing insurance to ships trading to that area and that might be enough to enable shipowners to break existing charter parties or refuse to visit North Vietnam, The Chamber of Shipping advise, however, that the Insurance Clubs would not take such a step unless there was a serious risk of the use of physical force or a real physical danger to shipping. There is no question of the Insurance Clubs refusing insurance in present circumstances,

II. To Control Hong Kong Shipping.

the Korean war, it was found impossible to take any effective administrative measures. The United Kingdom came under heavy pressure from the U.S.Congress, particularly Senator MacCarthy, shortly after China entered the Korean war, to prevent British ships (including Hong Kong registered ships) from trading to China and North Korean ports. It was found impossible to restrict the voyages of Hong Kong ships to these ports by administrative means, such as official discouragement by letter or interview with the ship owners concerned or by the application of more rigorous safety controls, and the only practical measure then adopted was an order forbidding the carrying of strategic materials in Hong Kong or other British ships to these territories. The powers under which this order was made have been repealed. We are nevertheless achieving the

same effect on direct brade to North Vietnam through strategic controls.

- In the present circumstances and subject to comment from the Governor, who has been consulted and not yet replied, the only possible courses of action seem to be:-
  - (i) Official discouragement possibly by means of a letter through the Director of Marine exhorting ship owners to refrain from trading to North Viet-Nam.
  - (ii) Strict enforcement of regulations e.g. safety, recruitment of crew etc., with the aim of restricting the activity of ships engaged in trade with North Vietnam.

#### TRADE III.

United Kingdom/North Viet-Namese trade is negligible in quantity and importance. It is of course subject to the usual strategic controls. Theoretically it would be quite simple to impose an embargo on this trade. The Board of Trade have power, under the Import Export and Customs (Defence) Act 1939 to make an Export Control Amendment Order, which has the effect of making an export licence obligatory for all or any goods specified when consigned to a given destination (it being understood that no licences would be issued). Such an order could be made without parliamentary approval, although it would not of course be exempt from parliamentary discussion. A complete embargo, which would pose no problems of definition, could be imposed within a week. The question of enforcement is however a good deal more difficult though this would not necessarily detract from the propaganda value. Unless there is a very general embargo it is virtually impossible to prevent onward consignment via third countries.

Hong Kong/North Viet-Namese trade is much larger but still not as great as, for example, Japanese/North Viet-Namese trade. Possible courses of action to limit this would be:-

> (i) expulsion of the North Viet-Namese trade delegation. This would present no difficulty for Hong Kong but would almost certainly provoke retaliation against Her Majesty's Consul General in Hanoi.

/(ii)

(ii) introduction of local legislation to place all exports to North Vietnam under licence and then to refuse to give the licences thus eliminating the trade. We believe control of imports however would be more difficult. For Hong Kong to take action which was not in line with the conduct of other Far Eastern nations, such as Japan, would expose Hong Kong to severe difficulties.

#### IV. Likely Repercussions

The actions possible in the United Kingdom could if desired all be carried out without attracting undue publicity.

But if for reasons of United States' public opinion it was desired to give publicity, ship owners might not object, although firms involved in trade with China might be critical. However these measures could be expected to provoke considerable criticism from those who already oppose British policy over Viet-Nam and perhaps also from others who, whilst recognising the particular circumstances of the Viet-Nam conflict, might fear such action would be followed by similar measures against ships trading to Cuba and even to China (both having been mentioned with Viet Nam in recent United States protestations).

More direct repercussions can be expected as a result of any action in Hong Kong. Token action (such as official exhortation) might not provoke retaliation by the Chinese. Any measures however which materially affected Hong Kong shipping or trade with North Viet Nam would, in the present political chimate, almost certainly provoke Chinese measures which could affect the morale and economy of the Colony, and pressures which would make it necessary to modify or withdraw positive assistance given to U.S. effort in Viet Nam by the facilities provided by Hong Kong. Chinese suspicions about Hong Kong involvement over Viet Nam conflict have grown progressively since their official protest in September, 1965. This has been emphasised in the last few days by a virulent left-wing press campaign in Hong Kong about Hong Kong's support to U.S.Forces engaged in Viet-Nam. Recently too, the Chinese press have reacted

#### CENEIDENTIAL

strongly to the visit to Hong Kong of two U.S. nuclear-powered warships, and this campaign may develop further. In addition possible measures which the Chinese might take against Hong Kong are the harrassing of Hong Kong Fishing vessels in local waters, and interference with water and food supplies. Nevertheless, as seen at the present time, the most likely Chinese reaction would be to create a situation where it would be impossible to afford to the Americans the present support given by Hong Kong to their forces and engaged in Viet-Nam. It is therefore at least in part for the Americans to study where the balance of advantage lies.

Another consideration which Hong Kong has brought to our notice is the intelligence gained from ships' captains who have been in North Vietnamese ports. This may not be of major value but is understood to provide useful collateral and general intelligence on morale, air-raid shelter building, signs of bomb damage, food-shortage etc.

Apart from the direct consequences in United Kingdom or Hong Kong of any actions in these fields there would also be the general problem of creating a precedent for such action. Once it was seen measures such as these could be taken we could find ourselves the victims of pressure at a later stage of similar action to be taken, for example over Cuba, or China. The case of North Viet-Nam is unique or so it could be argued, but there is no doubt that once a precedent for extraordinary non-legislative measures has been established it would make it more difficult to maintain our normal defence in these matters, that it is not possible to control shipping or trade except in time of war.

CONFIDENTIAL

#### BRITISH SHIPPING AND TRADE WITH NORTH VIET-NAM

Officials of the Board of Trade, the Colonial Office and the Foreign Office have been considering what measures short of legislation could be taken should Ministers decide some action was desirable to meet American pressure to stop or to reduce the amount of shipping under the British Flag trading to North Vietnamese ports and possibly to reduce trade with North Viet-Nam (although this is a less heated issue).

- 2. The following papers covering this question are attached:
  - (a) A Background Note on the Evolution of the Problem;
  - (b) Such statistics as are available on the amount of British shipping trading to North Viet-Nam and on U.K. North Vietnamese trade;
  - (c) Lists of possible measures which might be considered and their likely repercussions.
- 3. In the light of the facts and considerations mentioned in these papers I recommend, with the concurrence of the Board of Trade and the Colonial Office, that if Ministers decide some action should be taken in the interests of Anglo-American relations the courses to be followed should be:
  - (a) In the U.K. the Board of Trade should be authorised to exchange letters with the Chamber of Shipping and to speak to British shipowners with the object of encouraging them to reduce and eventually stop altogether the amount of U.K. shipping visiting North Viet-Namese ports
  - (b) In Hong Kong the Governor should be instructed to issue a warning about shipping trading to North Viet-Nam and should apply administrative controls, such as the enforcement of safety regulations, to try to reduce the number of Hong Kong ships visiting North Viet-Nam.
  - (c) We should ensure the U.S. authorities are informed of the small and declining amount of M. Lish shipping trading to /North

North Viet-Nam and the insignificance of this shipping, as well as the cargos they carry in relation to North Viet-Namese economic or military potential, and of the totally negligible quantity of trade between the U.K. and North Viet-Nam. We should also ensure that they are aware of the consideration we have given to possible courses of action, of what we have done to reduce the traffic and of the difficulties which prevent us from doing more short of legislation, which we believe would be counter productive.

#### Annex A

### American Complaints about British Ships calling at North Vietnamese Ports

American complaints that British ships calling at North Vietnamese ports were helping the North Vietnamese war effort have been going on for over a year. Initially these came only from isolated Congressmen, but in March 1965 they were taken up by the State Department and in June the British, Greek and Norwegian Embassies in Washington received an official complaint on the subject from the State Department. Our policy, in accordance with the Prime Minister's Minute of 14 June, 1965, in which he said "I presume that we are not giving way at all on this", has been to try to convince the United States Government and American public opinion that the few British ships engaged in trade to North Viet Nam afford no significant assistance to North Viet Nam. In the last week or so, however, Her Majesty's Ambassador at W shington has told us that public feeling on this issue in the United States has greatly increased in intensity. The United States Government, faced with strong criticism from Congressmen and Senators for the alleged failure for American diplomacy on this issue, are now urging us with greatly increased emphasis to take measures to prevent ships flying the British flag from calling at North Vietnamese ports. 2. The essential facts are that about 21 ships flying the British flag are engaged in this traffic. Three of these are genuinely British ships, but on charter. The remaining 18 are owned in Hong Kong and most of them are registered there. The majority of these ships are either owned or chartered by Chinese Communist enterprises in Hong Kong. None of these ships carry materials on the agreed embargo list and most of their voyages to North Viet Nam are in fact made in ballast, the purpose being to pick up North Vietnamese export cargoes on

/arrival

arrival. During 1965 ships flying the British flag made a total of 75 calls at North Vietnamese ports (less than half the figure for 1964).

- 3. Actual trade between the United Kingdom and North Viet Nom is even more insignificant: exports and imports together were worth less than £190,000 in 1965. Comparative figures to show the trade maintained by other Western countries with North Viet Nam are hard to come by but such figures as we have suggest that several other Western countries have been doing far more trade with North Viet Nam than we have.
- 4. Nevertheless American attitudes on this question are primarily determined by emotional considerations and much recent use has been made of the argument that Britain is not reciprocating American co-operation over sanctions on Rhodesia. It has accordingly seemed prudent to examine urgently what measures could be adopted, if Ministers so decided, to meet American wishes and to restrict this trade. It has been assumed that Ministers would not wish to introduce special legislation for this purpose and consideration is accordingly being given only to those measures of an administrative character.
- 5. While this work is in progress, we have thought it better to resist the American desire to send a senior official to London for immediate discussions. Instead American officials have been invited to come to London for a purely factual exchange intended to make clear the very limited character of this traffic and the nature of the problems confronting us.

## STATISTICAL INFORMATION ON SHIPPING AND TRADE WITH NORTH VIET-NAM

#### I SHIPS

Lists showing the number of visits by British ships (including the United Kingdom, Hong Kong, Bermudan, etc.), visiting North Viet-Nam in 1964 and 1965 are at Annex A. These lists are based on information assembled in Hong Kong and whilst there may be minor inaccuracies are considered reliable in the trands they show.

2. In addition we know from the most recent figures available for the last quarter of 1965, 21 British flag ships in all were involved registered in Bermuda, Hong Kong and the United Kingdom, of these:

3 were of genuine British ownership (all on charter)

owned by Hong Kong owners, of which 10 are owned by the Ocean Tramping Group (C.P.G. controlled).

5 are owned by Chinese/Hong Kong interests.

3 are owned by British/Hong Kong interests (2 or 3 of which were on Japanese charter.

#### II CARGOES

We have cargo details (see Annex B) of 25 journeys from Heng Keng to North Viet-Nam made inthe period 1 January - 22 September, 1965. In 18 of these the ships left in ballast to pick up cargoes in North Viet-Nam. In 7 they left with cargo (such as fertilizer and general cargo averaging 3,290 tons on each occasion).

2. Of the 15 arrivals in Hong Kong from North Viet-Namese ports 10 carried cargo in transit, 5 unloaded cargo.

#### III TRADE

The latest figure for U.K./North Viet-Namese trade in 1965 shows a total of exports and imports valuing less than £190,000 (U.K. exports were £70,000, U.K. imports £119,000)

2. In 1963 (the most recent year for which many countries have statistics available) total exports and imports for the following countries amounted to

United Kingdom	174,000	U.S.	dollars
Swedish	180,000		
West German	513,000		
Japanese	14,689,000		
Belgian	1,502,000		
French	6,063,000		
Italian	2,757,000		
J.S.S.R.	86,420,000		

We do not believe that the 1964 pattern was materially different.

#### CONFIDENTIAL

Number of visits by British ships (including the United Kingdom, Hong Kong, Bermudan, etc.) visiting North Viet-Nam

	<u>1964</u>	1965
January	14	11
February	14	12
March	17	5
April	20	1
May	16	1
June	9	5
July	12	-
August	16	2
September	13	3
October	11	12
November	11	14
December	15	9
		corners
	168	75

ANNEX C

## POSSIBLE MEASURES AND THEIR LIKELY REPERCUSSIONS

1. To control United Kingdom shipping.

From the facts available to us at present, there seems to be no likelihood that ships owned and controlled in the United Kingdom will visit North Vietnamese ports except possibly for the few under long term charters without exclusion clauses. There is, therefore, no further action affecting those ships that the Government can take, short of legislation, except to appeal to shipowners to continue their present restraint and to terminate, as soon as possible, outstanding charters which might permit visits to North Vietnam. (The position of ships owned and registered in Hong Kong is, of course, entirely different).

In these circumstances the following courses of action might be considered:

We could use the opportunity of discussion in the
Working Group of officials which has been proposed, to
bring home to the Americans the limited involvement of
United Kingdom owned and registered ships. We could
provide a statement showing the ships which have
traded from Hong Kong and the United Kingdom to
North Vietnam during 1965, together with some
analysis of the cargo carried. We might also agree
with the Administration a statement for publication
about the current attitude and activities of United
Kingdom shipowners. We could include in this
statement some information about the activities
of British flag ships trading from Hong Kong which
would show that they did not carry vital supplies.

- We might extend this arrangement by agreeing to (ii) keep the American authorities informed from time to time about the nature of the cargoes being carried from Hong Kong to North Vietnam or, if there should be any, from the United Kingdom. A similar arrangement was made on a very informal basis, through the Ministry of Transport and the Shipping Attache in Washington, at the time of the embargo on Cuba and it was helpful in preventing trouble. The American authorities probably know almost as much about the nature of the North Vietnam traffic as we do, but if they receive a statement from time to time, officially or semi-officially, it might put the Administration in a better position to check irresponsible statements by Congressmen.
- (iii) We might agree with the Chamber of Shipping an exchange of letters between the President of the Board of Trade and the President of the Chamber of Shipping which might be shown to the American authorities and might or might not be published. These letters would set out the position, so far as vessels genuinely under British control are concerned, and contain an appeal to terminate existing charters as soon as possible.

  Something on these lines has been done between the Norwegian Government and shipowners and has, apparently,

(iv) We understand that the United States have recently taken a decision to apply to ships trading with North Vietnam the same kind of sanction which they are at present applying to ships trading with Cuba. That is to say they will publish, every month, a cumulative "blacklist" of ships that have traded

/with

with North Vietnam and those ships will be denied the privilege of carrying any United States Government generated cargo. There would presumably be, however, a procedure for shipowners to release their vessels from the blacklist by entering into an undertaking not to allow any ships in their fleet to trade with North Vietnam in future. Shipowners with vessels on long term charter would also be able to enter into an agreement with the American authorities to remove their ships from the blacklist as soon as the charter expires. Because of the special circumstances in North Vietnam, the Chamber of Shipping would probably be prepared to ask their member companies to take action to get themselves removed from the blacklist, although neither they nor we would regard this as desirable in the case of Cuba. We would need to ensure, if we took this action, that the Americans had no justification for later regarding it as a precedent for dealing with ships operating to Cuba,

embargo on shipping to North Vietnam, for example by intercepting them or threatening to search them, or by retaining them for examination, the Insurance Clubs might regard this as sufficient risk to justify refusing insurance to ships trading to that area and that might be enough to enable shipowners to break existing charter parties or refuse to visit North Vietnam. The Chamber of Shipping /advise,

advise, however, that the Insurance Clubs would not take such a step unless there were a serious risk of the use of physcial force or a real physical danger to shipping. There is no question of the Insurance Clubs refusing insurance in present circumstances.

- 2. To control Hong Kong shipping. Possible courses of action are
  - (i) The issuing c2 an official warning about the dangers of trading to North Viet-Nam and exherting shippers to refrain from doing so.
  - (ii) Strict enforcement of safety regulations et with the aim of restricting or eliminating the activity under the British Flag of ships engaged in the trade.
  - (iii ) Other administrative measures which might
     be taken by the Governor without legislation
     such as -

Such action might affect the amount of shipping going from Hong Kong to North Vietnamese ports but it is unlikely that any measures short of legislation would succeed in eliminating the trade especially of those ships wheel by companies which are Communist controlled.

All these measures would be liable to attract publicity especially if they were presented widely in the United States

could provoke counter action from the Chinese such as the harassing of Hong Kong chipping vessels in local waters, interference with water and food supplies etc. and this could in turn have repercussions on the morale and economy of the Colony. If too measures were directly connected with the Viet-Nam war effort China might well exert pressure which might make it difficult or impossible for Hong Kong to grant the logistic and leave facilities to United States forces to which the Americans attach great importance. The practical disadvantages to the Americans of losing these facilities for the purely propaganda benefit of reducing shipping to North Viet-Nam would have to be weighed by the United States Government very carefully if they wished to press us to take measures against shipping.

#### III. Trade

United Kingdom/North Vietnamese trade is negligible in quantity and importance. It is of course subject to the usual strategic controls. Theoretically it would be quite simple to impose an embargo on this trade. The Board of Trade have power, under the Import/Export and Customs (Defence) Act 1939 to make an export control amendment order, which has the effect of making an export licence obligatory for all or any goods specified when consigned to a given destination (it being understood that no licences would be issued). Such an order could be made without parliamentary approval, although it would not of course be exempt from parliamentary discussion. A complete embargo which would pose no problems of definition could be imposed within a week. The question of enforcement is however a good deal more difficult. Unless there is a very general embargo it is virtually impossible to prevent onward consignment via third countries.

Hong Kong/North Vietnamese trade is much larger but still

not as great as, for example, Japanese/North Vietnamese trade.
Possible courses of action to limit this would be:

- (i) expulsion of the North Vietnamese trade delegation (which might well provoke retaliation against Her Majesty's Consul General in Hanoi.
- (ii) introduction of local legislation to

  place all exports to North Viet-Nam under

  licence and then to refuse to give the

  licences thus eliminating the trade. We

  believe control of imports however would be

  more difficult. For Hong Kong to take

  action which was not in line with the conduct

  of other Far Eastern nations, such as Japan,

  might expose Hong Kong to severe difficulties.

#### IV. Likely Repercussions

The actions possible in the United Kingdom could if desired all be carried out without attracting undue publicity: but if for reasons of United States public opinion it was desired to give publicity it could be expected to provoke considerable criticism from those who already oppose British policy over Viet-Nam and perhaps also from others who whilst recognising the particular circumstances of the Viet-Nam conflict might fear such action would be followed by similar measures against shipping trading to Cuba and even to Communist China (both having been mentioned with Viet-Nam in recent United States protestations).

More direct repercussions could be expected as a result of any action in Hong Kong. Token action (such as official exhortation) might pass comparatively unnoticed and without provoking any cert-of retaliation by the Chinese. Any measures /however

however which materially affected Hong Kong shipping going to North Vietnamese ports might well provoke Chinease measures which could affect the morale and economy of the colony and might even incur Chinese pressure which would make it necessary to modify the positive assistance given to United States efforts in Viet-Nam by the facilities provided by Hong Kong.

Another consideration which Hong Kong has brought to our notice is the intelligence gained from ships' captains who have been in North Vietnamese ports. This may not be of major value but is understood to provide useful collateral and general intelligence on morale, air raid shelter building, signs of bomb damage, food shortage etc.

Any measures against trade (apart from the strategic controls already applied) might produce similar reactions.

Apart from the direct consequences in the Urated Kingdom or Hong Mong of any actions in these fields there would also be the general problem of creating a precedent for such action. Once it was seen measures such as these could be taken we could find ourselves the victims of pressure at a later stage for similar action to be taken, for example over Cuba or Communist China. The case of North Viet-Nam is unique, or so it could be argued, but there is no doubt that once a precedent for extraordinary non-legislative measures has been established it would make it more difficult to maintain our normal defence in these matters, that it is not possible to control shipping or trade except in time of war.

SECRET

#### INWARD TELEGRAM

#### TO THE SECRETARY OF STATE FOR THE COLONIES

FROM HONG KONG (Sir D. Trench)

Cypher

D. 4th February 1966

R. 4th 11

10.15 hrs.

IMMEDIATE SECRET No. 108

Addressed to Colonial Office.
Repeated " Washington No.27 (please pass IMMEDIATE and saving to Saigon and Hanoi).

Washintgon telegram No.19 to me.

The shipment of petrol referred to in paragraph 1(b) of my telegram No.76 to you consisted of 10,000 45-gallon drums of petrol, the type or grade of which was not known. The vessel concerned is owned by the West Wales Steamship Company and managed by Gibbs and Company (Ship Management) Ltd., Newport, Mon. It is on long term charter to the China National Foreign Trade Transportation Co., of Peking; the charter having been arranged through Sinofracht. As the voyage in question was direct from Shanghai to Haiphong and the vessel did not (repeat not) come to Hong Kong, there was in any case no question of applying COCOM Regulations.

I regret that I cannot agree to this information being made public. It was supplied by a secret source whose ship could all too easily be identified by the Chinese and Vietnamese authorities who might well retaliate against him. At the very least he would be reluctant himself to continue to supply information and would no doubt spread the word amongst his colleagues that information supplied in the strictest confidence was being made public knowledge.

(Passed to D.S.A.O. for repetition IMMEDIATE to Washington)

Copies sent to:-

Foreign Office Board of Trade Mr. Murray (S.E.A.D.) Dr. Russell

Cablegram Section

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#### CONFIDENTIAL

#### **OUTWARD TELEGRAM**



#### FROM THE SECRETARY OF STATE FOR THE COLONIES

TO HONG KONG (Sir D. Trench)

Cypher

Sent 4th February, 1966. 01.10 hrs.

CONFIDENTIAL No. 171

#### COPY FOR REGISTRATION

Following telegram of 2nd February from Foreign Office addressed to Washington No. 1332 repeated for information to Governor, Hong Kong and saving to POLAD Singapore and Saigon.

Begins.

'Shipping to Vietnam: Anglo-U.S. Talks'.

The first meeting with Mr. Solomon and his advisers was held this morning. De La Mare, as Chairman, explained at the outset that, although pleased to see Mr. Solomon so soon, his early arrival meant that we had not yet had time to formulate our views fully or to consult Ministers. We now wished to listen to any constructive proposals the American delegation might make and to try to agree on the facts of the situation.

- 2. Solomon explained the surge of feeling in the United States about British ships trading to North Vietnam, even those holding different views on the conduct of the war were agreed on this. Officials in the U.S. had tried to encourage people to keep this problem in perspective, but the general frustration of the war in Vietnam, which touched Americans more deeply even than Korea, had focussed attention on what appeared to be allied support for the enemy. De La Mare stressed that in our view the small amount of British shipping did not constitute assistance to the enemy and invited a discussion of the facts.
- 3. Solomon said that the basic concern of the U.S. was that ships trading to North Vietnam should stop doing so but, if this was not possible, that the United Kingdom should take some action which would mean these ships did not fly British flags. We explained that British registration could be removed only if ownership passed to a company which was not entitled to own a British ship. There were, of course, statutory requirements about safety equipment which might be strictly applied as a deterrent but if periodic surveys proved unsatisfactory, ships could not be removed from the register, but merely detained and if necessary the owner prosecuted. The U.K. and Hong Kong situation were similar.
- 4. Solomon enquired about possibilities of action under existing U.K. legislation. (Details by bag). We thought only one act was still relevant but though its language was broad its purpose was to control evasions of strategic export controls through resales. To use this act for a purpose

- 7 FEB 1966

CONFIDENTIAL

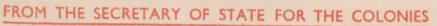
not intended when it was made would invite serious Parliamentary criticism. But we would bring this suggestion before Ministers.

- 5. Solomon enquired about exhortation or persuasive measures such as those employed by the U.S. Government over Rhodesia, which amounted to some serious "arm twisting" of firms involved. For Hong Kong we pointed out that such measures would have absolutely no effect on shipping companies under Chinese Communist control and that the Governor thought that administrative measures would not be effective. But we asked for details of the persuasion which the Americans had used or could recommend in this case and also promised to look again at what might be done to influence Hong Kong vessels of British ownership.
- 6. We asked if the Americans had considered the possibility of a blockade of all shipping going to North Vietnam. Solomon dismissed this as too dangerous as it would have to apply to all vessels including Russian ones. We asked why British shipping was being singled out and were told that certain other countries, such as Greece and Norway had already co-operated with American wishes and British ships formed the large majority of all ships going to North Vietnamese ports. A second meeting today concentrated on the data available.
- 7. Solomon finally emphasised that, in contributing to the North Vietnamese economy through trade, indirect assistance was being given to the North Vietnam war effort. He repeated the suggestion that pressures might be exerted by H.M.G. "assuming there was the will to do something" (a phrase which he used on more than one occasion).

Ends.

SECRET

#### **OUTWARD TELEGRAM**



209

CUTY FOR ILLINION

TO HONG KONG (Sir D. Trench)

Cypher

Sent 3rd February, 1966. 02.15 hrs.

IMMEDIATE SECRET No. 168

Following telegram of 2nd February from Washington, addressed to Hong Kong No. 19, repeated for information to Foreign Office and saving to Saigon and Hanoi.

Begins.

Shipping to North Vietnam.

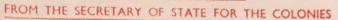
Congressman Fino, a member of the Veterans Affairs Committee, gave notice at the week-end that he intended to table a Bill penalising foreign shipping which did business with North Vietnam. The Bill would close all United States ports to vessels "while engaged in trade or commerce with North Vietnam or while engaged on any voyage during which such vessel had engaged in trade or commerce with North Vietnam" except in case of emergency.

hostile to Britain, Fino alleged inter alia that H.M.G. had refrained from "halting crucial oil shipments to North Vietnam". This presumably refers to the batch of petrol referred to in paragraph 1(b) of your telegram No. 76 to the Colonial Office. I should be grateful if you would telegraph urgently the quantity and type of petrol concerned and would confirm that it is not covered by COCOM list item No. 1770. It would be helpful also to know the status of the ship or ships which carried the petrol, i.e. Hong Kong British owned, on charter to the Ocean Tramping Group, or whatever the case may have been, and whether there is any objection from your point of view to using this information with the press or congressmen.

(9)

#### CONFIDENTIAL

#### **OUTWARD TELEGRAM**



TO HONG KONG (Sir D. Trench)

Cypher

Sent 1st February, 1966. 23.59 hrs.

IMMEDIATE CONFIDENTIAL No. 154

Following telegram of 1st February from Foreign Office addressed to various posts. Guidance No. 41 repeated for information POLAD Hong Kong (Governor please pass)

Begins.

Shipping to North Vietnam.

Over the past year a number of complaints have been voiced in the United States by individual Congressmen and some newspapers that British ships calling at North Vietnamese ports were helping the North Vietnamese war effort. In the last two weeks public and congressional feeling on this issue in the United States has greatly increased in intensity. The United States Government are now under pressure from Congressmen, critical of an alleged failure of American diplomacy on this issue, to ensure that H.M.G. will take measures to prevent ships flying the British flag from trading with North Vietnam.

- 2. One argument advanced by critics of the United States administration is that Britain is not reciprocating American co-operation over sanctions on Rhodesia.
- 3. The essential facts are that about 21 ships flying the British Flag are engaged in this traffic to North Vietnam. Three of these are genuinely British-registered but on charter. The remaining 18 are owned in Hong Kong and most of them registered there. The majority of these ships are either owned or chartered by Chinese Communist enterprises in Hong Kong. None of them carries material on the agreed embargo list and most of their voyages to North Vietnam are, in fact, made in ballast so as to pick up North Vietnamese export cargoes. During 1965 ships flying the British flag made a total of 75 calls at North Vietnamese ports (less than half the number for 1964).
- 4. Actual trade between the United Kingdom and North Vietnam is even more insignificant; exports and imports together were worth less than £190,000 in 1965. Trading statistics for North Vietnam are incomplete and not up to

/date

date , but our impression from such figures as we have is that several other Western countries have a greater trade with North Vietnam than ours.

- 5. Although the United States Government are well aware that we regard this shipping activity as insignificant and not contributing in any way to the North Vietnamese war effort they have real problem with congressional and public opinion. We have pointed out that British flag shipping cannot be controlled except by special legislation during war. Nevertheless both President Johnson and Mr. Rusk have urged us to do what we can to stop it. Accordingly Ministers are considering whether to authorise administrative measures, short of new legislation, which if applied both in the United Kingdom and Hong Kong might help to discourage this traffic, and a senior United States official, Mr. Solomon, is arriving in London on 1 February for discussions with British officials.
- 6. The foregoing is for your background information, but if Mr. Solomon's visit to London attracts publicity, or if you receive any general enquiries about the United States concern on this subject, you may speak as follows to reliable officials and other contacts:-
  - (a) it is true that a small number of British ships visit North Vietnamese ports, though the number has considerably declined in the past year;
  - (b) we understand the American concern over this traffic but are convinced that it does not contribute in any way to the North Vietnamese war economy;
  - (c) only very few ships are United Kingdom-owned, the rest being largely Hong Kong-owned or registered and many of the ships are on charter to foreign countries;
  - (d) we would expect the frequency of this traffic to decline, however, as time goes on and charters come up for renewal;
  - (e) United Kingdom/North Vietnamese trade is negligible, less than £190,000 in both directions in 1965.

    Exports from the United Kingdom to North Vietnam are of course subject to the usual strategic controls.

Ends.

CONFIDENTIAL

#### **OUTWARD TELEGRAM**

## FROM THE SECRETARY OF STATE FOR THE COLONIES COPY FOR REGISTRATION

TO HONG KONG (Sir D. Trench)

Cypher

Sent 1st February, 1966. 23.59 hrs.

CONFIDENTIAL No. 152

Following telegram of 31st January from Washington addressed to Foreign Office No. 395 repeated for information to Hong Kong No. 18 and saving to Saigon and Havana.

Begins.

My telegram No. 391: Shipping to North Vietnam.

At the request of Mr. Solomon (Assistant Secretary Economic Affairs) the Commercial Minister called on him today for a general talk about the situation.

- 2. Mr. Solomon was very well briefed on names of Shipping Companies involved, nationality of those holding controlling interests, cargoes, number of calls, etc. He said he hoped that he was not going to London merely to exchange statistics and stressed that the administration had gone as far as they possibly could to take account of special factors affecting the U.K. and to stave off criticism from the public and Congress. The limit had now been reached and it was essential that some action be taken. He hoped very much that it would be possible in the course of his talks in London to devise some means of dealing with the situation.
- 3. On the legal aspect he referred to the Control of Trade by Sea Order of 1953, the recent legislation affecting Rhodesia and the Emergency Laws (Re-enactment and Repeal) Act of 1964. Mr. Chadwick explained the situation regarding Rhodesia but said that we had no information about the other two measures. He also made clear the difficulty from the domestic political angle of introducing legislation to ban calls at Vietnamese ports, especially soon after the resumption of air attacks on North Vietnam, and stressed the potential embarrassment to Hong Kong, with reference to the present furore over the calls of ENTERPRISE and BAINBRIDGE.
- 4. Mr. Solomon continued to maintain that it was nevertheless necessary to counteract the general feeling that "the British are helping our enemies".

Ends.



OUTWARD TELEGRAM

FROM THE SECRETARY OF STATE FOR THE COLONIES



TO HONG KONG (Sir D. Trench)

En Clair

Sent 1st February, 1966.

03.20 hrs.

IMMEDIATE No. 151

Following telegram of 31st January from Foreign Office Guidance 04031 addressed to POLAD Hong Kong.

Begins.

Vietnam.

Following statement issued by News Department Foreign Office this evening 31st January.

Begins.

H.M.G. had hoped that the North Vietnamese would take advantage of the suspension of bombing to respond to repeated American offers to negotiate. H.M.G. regret that the North Vietnamese still refuse all offers of this nature. Consequently H.M.G. understand and support the decision of the U.S. Government to resume the bombing which they had suspended in the hope of reaching a peaceful settlement. It is still open to the North Vietnamese to bring hostilities to an end by expressing a genuine wish to negotiate. While the bombing was suspended H.M.G. have been in direct touch with the North Vietnamese, both in Hanoi and in Moscow but without success. Ho Chi Minh's message to a number of heads of state leaves no room for doubt. Not only does Ho Chi Minh again insist on prior acceptance of the four points, but he has put forward a new and even more unacceptable prior condition. In his message to H.M. The Queen which was transmitted through H.M. Ambassador in Moscow yesterday, Ho Chi Minh writes:

"If the United States really wants peace it must recognise the South Vietnamese National Front for Liberation as the sole genuine representative of the people of South Vietnam".

Hitherto it has been suggested that the Liberation Front should be separately represented at the conference table, a point which H.M.G. have always thought was one to be settled by the conference itself. But now the demand is made that the Liberation Front should be the sole representative of South Vietnam.

/This

This is an impossible condition for negotiations, because it requires the United States to abandon and even to repudiate their South Vietnamese allies before negotiations even begin. H.M. Government remain determined to do their utmost to bring about a settlement of this problem by negotiation. Ends. 2 News Departments are making the following further points unattributably (a) We have maintained the closest contact with the United States Government throughout the last few days and are convinced that the United States was ready to take advantage of any hopeful gesture from Hanoi. But neither H.M.G., nor the United States Government have been able to detect the least sign of a desire for negotiations on the part of Hanoi. (b) We have also been in touch with other Governments, some of whom have been trying equally hard to extract from Hanoi some hint of a readiness for Negotiations. (c) It is perhaps significant that the North Vietnamese only communicated with the heads of other governments when reports began to appear from Washington indicating the mounting concern on the part of the United States administration at the disadvantage their forces were suffering from the suspension of the bombing. Ends.

FIAZ C.S. ROSS ESQ.

COLONIAL OFFICE

With the compliments of

THE FAR EASTERN DEPARTMENT

(MR Times)

FOREIGN OFFICE S.W.1

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With the compliments of

THE BRITISH EMBASSY (N.C.C.Trench)

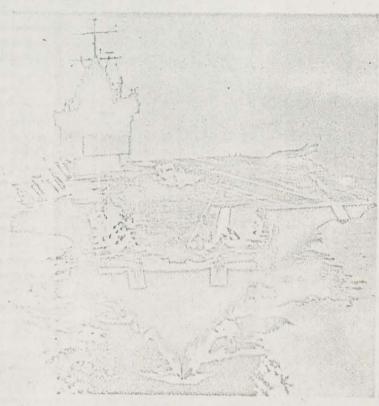
(Reference: Hong Kong tel. No. 45 to F.O. of 14 January).

WASHINGTON, D.C.

E.Bolland Esq., Far Eastern Department, Foreign Office.

# Enterprise Captain Praises

## Craft's Combat Behavior



Associated Press

ON STATION-Nuclear carrier Enterprise cruises the waters of the South China Sea.

OTHIN

By George McArthur

SUBIC BAY, Philippines, Jan. 23 (AP)—The soft-spoken captain of the world's first capian of the words first battle-tested nuclear warship said with professional pride: "The only way to really test a combat unit is in combat. And we've done it."

The warship is the atomicpowered 85,350 - ton aircraft carrier Enterprise. The captain is Carolina-born James Lemuel Holloway, 43.

Holloway relaxed Saturday in his carpeted cabin after a 45-day cruise off Vietnam—the first combat patrol ever undertaken by a nuclear-run surface vessel.

"The tons of bombs that have been flown off this ship would stagger 'you," he said in

an interview.
"We went on the line Dec. 2 for the first time. The (conventionally powered) Kitty Hawk had posted a record of 131 combat sorties in one day. The second day on the line we did 137. A week later we flew 165 combat sorties in one day." †

#### Pace From Then On

That was the pace which the

Enterprise set from then on. The executive officer, one-time X-15 Test Pilot Capt. Forrest Petersen, made it official in a plan-of-the-day order. "If you are not working 14 hours a day you are not carry-

ing your load."
Until air attacks against
North Victnam were called off Dec. 24 the Enterprise operated in Tonkin Gulf waters off the north coast, Later she had a little more leeway in the open sea off the south coast.

Holloway admitted that operating a nuclear carrier in restricted water for tactical support against Communist guerrillas is not the ideal use of a ship with the punch and mobility of the Enterprise.

#### Job for the Navy

However, he said "tactical air support is required to do the job in Vietnam. The Navy's contribution is required. It is not an ideal situation, but no-

body else could make those strikes if the carrier were pulled out."
"Off Vietnam we never canceled a sortie because of weather," he said, "Once we weather," he said. "Once we were operating in a weather trough. As the trough would get on top of us we would make a high-speed die h to get on the other side. How hadly the damaged the Consensation is a classified top with the earlain:

captain:

"I can say this has been substant? strike photos con that we have the hough. It the post-



With the Compliments of

Dr. 9.5. Russell.

BOARD OF TRADE

28.H. D

In 1966

Comp/29

Draft

#### North Vietnam

The Americans claim that most of the free world ships trading to North Vietnam are British. This is only true if Hong Kong registered ships, most of which are in Chinese ownership and control are included as British.

- 2. So far as we know, there are no ships on the United Kingdom register, that are in British ownership and under the effective control of their owners, now operating to North Vietnam. Three British owned ships, registered in the United Kingdom, have called at North Vietnam in the last three months, but they are under charter to Chinese or Japanese shipowners. Three other ships said to be in British ownership, though registered in Hong Kong, are trading from Hong Kong to North Vietnam; the Chamber of Shipping are trying to find out how far these ships can be sand to be under genuine British control. The remaining British flag vessels which have visited North Vietnamese ports are registered in Hong Kong (or Bermuda) and are either in Chinese ownership or under Chinese control. There may also be a few ships on the U.K. register owned by nationals of other countries who may not be members of the Chamber of Shipping and may not feel committed to the policy which the Chamber of Shipping have adopted. We have, however, no evidence to suggest that there is any serious prospect of such ships visiting North Vietnam; so far as we know they are already profitably employed in other trades.
- J. For some time British shipowners have not been allowing ships under their direct control to visit North Vietnam and those who have chartered their vessels for trade in south-east asia have written clauses into the charter party either expressly excluding visits to North Vietnam or listing the areas in which the vessels may trade and excluding North Vietnam from that list. There are still nine older charters which do not contain exclusion clauses and have some time to run; the Chamber of Shipping are trying to establish the exact facts about these charters.

- 4. From the facts available to us at present, therefore, there seems to be no likelihood that ships owned and controlled in the United Kingdom will visit North Vietnamese ports except possibly for the few under long term charters without exclusion clauses. There is, therefore, no further action affecting those ships that the Government can take, short of legislation, except to appeal to shipowners to continue their present restraint and to terminate, as soon as possible, outstanding charters which might permit visits to North Vietnam. The position of ships owned and registered in Hong Kong is, of course, entirely different.
- 5. In these circumstances the following courses of action might be considered:
  - 1. We could use the opportunity of discussion in the
    Working Group of officials which has been proposed, to
    bring home to the Americans the limited involvement of
    U.K. owned and registered ships. We could provide
    a statement showing the ships which have traded from
    Hong Kong and the United Kingdom to North Vietnam
    during 1965, together with some analysis of the cargo
    carried. We might also agree with the Administration
    a statement for publication about the current attitude
    and activities of U.K. shipowners. We could include
    in this statement some information about the activities
    of British flag ships trading from Hong Kong which
    would show that they did not carry vital supplies.
  - 2. We might extend this arrangement by agreeing to keep
    the American authorities informed from time to time
    about the nature of the cargoes being carried from
    Hong Kong to North Vietnam or, if there should be any,
    from the United Kingdom. A similar arrangement was made
    on a very informal basis, through the Ministry of Transport
    and the Shipping Attache in Washington, at the time of
    the embargo on Cuba and it was helpful in preventing
    trouble. The American authorities probably know

almost as much about the nature of the North Vietnam traffic as we do, but if they receive a statement from time to time, officially or semi-officially, it might put the Administration in a better position to check irresponsible statements by Congressmen.

- exchange of letters between the Fresident of the Board of Trade and the President of the Chamber of Shipping which might be shown to the American authorities and might or might not be published. These letters would set out the position, so far as vessels genuinely under British control are concerned and contain an appeal to terminate existing charters as soon as possible.

  Something on these lines has been done between the Norwegian Government and shipowners and has, apparently, satisfied the Americans.
  - We understand that the United States have recently taken a decision to apply to ships trading with North Vietnam the same kind of sanction which they are at present applying to ships trading with Cuba. That is to say they will publish, every month, a cumulative "blacklist" of ships that have traded with North Vietnam and those ships will be denied the privilege of carrying any United States Government generated cargo. There would presumably he, however, a procedure for shipowners to release their vessels from the blacklist by entering into an undertaking not to allow any ships in their fleet to trade with North Vietnam in future. Shipowners with vessels on long term charter would also be able to enter into an agreement with the American authorities to remove their ships from the blacklist as soon as the charter expires. Because of the special circumstances in North Vietnam, the Chamber of Shipping would probably be prepared to ask their member companies to take action to get themselves removed from

the blacklist, although neither they nor we would regard this as desirable in the case of Cuba. We would need to ensure, if we took this action, that the Americans had no justification for later regarding it as a precedent for dealing with ships operating to Cuba.

on shipping to North Vietnam, for example by intercepting them or threatening to search them, or by retaining them for examination, the Insurance Clubs might regard this as sufficient risk to justify refusing insurance to ships trading to that area and that might be enough to enable shipowners to break existing charter parties or refuse to visit North Vietnam. The Chamber of Shipping advise, however, that the Insurance Clubs would not take such a step unless there were a serious risk of the use of physical force or a real physical danger to shipping. There is no question of the Insurance Clubs refusing insurance in present circumstances.

FSRA1 28.1.66.

W.S. Carter, Esq., colonial office.

With the compliments of
THE SOUTH-EAST ASIA
DEPARTMENT

FOREIGN OFFICE, S.W.1. 28 January, 1966

SECRET

SECRET C.S. 41A 2600078 30,000-4/65-B47951 COLONIAL SECRETARIAT LOWER ALBERT ROAD REF SCR 27/65 HONG KONG January 17, 1966. RECEIVED IN ARCHIVES No.14 25 J. .. . 1995 DV 1196/1 General Wheeler called on the Governor last week when he was on his way through Hong Kong, and discussed Vietnam. He said that he thought things were now going pretty well from the military point of view in South Vietnam. Morale amongst U.S. troops is/very high and in fact his visit had raised his own morale. There were also some minor signs of worsening morale amongst the Viet Cong. For instance a recent prisoner, a lieutenant in the North Vietnamese army, had spoken of his disillusionment with the propaganda which had been fed to him about the ease with which the Viet Cong would win against the U.S. troops and about the welcome the North Vietnamese regulars would receive from the South Vietnamese. The incidence of malaria amongst Viet Cong prisoners was now very high, apparently about 80%. On the civilian side, General Wheeler said that he felt some real attempt was being made to construct a proper administrative system in the countryside. The Governor took the opportunity to assure General Wheeler that we in Hong Kong were anxious to help as far as we could over rest and recreation for U.S. troops from South Vietnam and that we were not being unnecessarily obstructive. He pointed out the very real practical difficulties in the way of increasing the numbers of troops coming here to very high figures and added that we would have to remain the judges of how far we could go in meeting U.S. requirements. General Wheeler seemed to understand and accept this point. I am sending copies of this letter to Etherington-Smith in Saigon and to Trench in Washington. Yours en, (T.A.A. Elliot Euro J.E. Cable, Esq., South East Asia Dept., Foreign Office, London, S.W.1. SECRET



With the Compliments of the

Political Adviser
Hong Kong

1. Ross



SCR 7/5401/56 II

January 27th, 1966.

(5)6)

In view of the current discussions with the Americana, reported in Washington telegrams Nos. 254 and 256 to the Foreign Office, about British shipping with North Vietnam, it might be useful for you to have the latest available information from our North Department about sailings between North Vietnam and Hong Kong during the last quarter of last year. These are in fact the supplement to the information contained in my letter (OR 7/5401/56 II) of October 11th to you.

(26)

2. Our Marine Department's list of sailings is not so comprehensive as the lists prepared by naval intelligence here, which was summarised in our telegram No. 49 of January 17th to the Colonial Office. The Marine Department's lists refer simply to British vessels which declare themselves in Hong Hong as being bound direct for, or having come direct from, North Vietnam. Nevertheless, you may find the details about corgoes in the attached list of considerable interest; I note that all the ships listed as going direct to Vietnam sailed in ballast.

3. The Marine Department have drafted the following table about these direct voyages in 1964 and 1965:-

	1964	1965
Number of British flag ships sailing) from Hong Kong to North Vietnam	25	17
Number of occasions:	85	34
Number of British flag ships arriving) at Hong Kong from Horth Vietnam:	324	17
No. of occasions	66	25

Sailings to North Vietnam from Hong Kong therefore appear to have been reduced in the past 12 months, in number of ships by 32% and in visits by 60%: entries into Hong Kong from North Vietnam could

/appear

J.S. Coble, Req., South-East Asia Dept., Foreign Office, London, S.W.l. m2m

appear in the same period to have increased by 21.4% in respect of ships and to have decreased on occasions by 62.1%.

4. I am sending copies of this letter to Carter in the Colonial Office, Trench in Washington, Ford in Seigon and Primmer in Singapore.

(T.A.K. Elliott)

# Appivals at Hong Keng from North Vietnes Guring the period 21.9.65 to 31.12.65.

- 21/9 "ISABSI ERICA" arrived from Comphe with 9,250 tons of coal in transit.
- 21/9 "JESSELTON HAY" arrived from Campba with 8,918 tons of coal in transit.
- 4/10 "MANTA GRANDA" arrived from Maighong in
- 5/10 "RINGFUED" arrived from Heighong with 1,236 tons of general cargo for Hong Kong discharge.
- 11/10 "ISABEL ERICA" arrived from Campha with 9,278 tons of coal in transit.
- 1/11 "GREENFORD" arrived from Heiphong with 3.260 tons of general cargo in transit.
- 12/11 "BLDFORD" arrived from Haiphong with 1,700 tons of pig iron in transit.
- 22/11 "STARFOID" arrived from Hongay with 587 tons of general cargo for Hong Kong discharge.
- 30/11 "BOCHFOLD" arrived from Haiphong with 673 tons of general cargo in transit.
- 20/12 "WARASA DAY" arrived from Comple with 9,513 tons of coal in transit.

# Hailings from Hong Kong to North Vietnes during the period 21.9.55 to 31.12.65.

- 26/9 "FORTUNE WIND" cailed for Comphe in bellest.
- 6/10 "BANTA GRANDA" sailed for Comphe in ballast.
- 12/10 "ARDROSSMORE" sailed for Comphe in bellest.
- 16/10 "KINGFORD" sailed for Campha in ballast.
- 19/10 "BIDFORD" sailed for Campha in ballast.
- 31/10 "LONGFORD" sailed for Hongay in ballast.
- 8/11 "HO FUNO" cailed for Campha in ballast.
- 15/11 "DARTFORD" sailed for Hongay in ballast.
- 10/12 "ISABEL ESICA" sailed for Campha in ballast.

/The

## following is a support of the year's traffic

Honth	Number of arrivals	from Hone Kone
Jenuary February Merch April May June July August September October Movember	6 (4 vessels) 1 (1 vessel) 1 (1 vessel) 2 (2 vessels) 4 (4 vessels) 5 (3 vessels) 4 (4 vessels) 1 (1 vessel)	5 (3 vessels) 11 (9 vessels) 4 (4 vessels) 1 (1 vessel) 5 (3 vessels) 2 (2 vessels) 5 (5 vessels) 2 (2 vessels) 1 (1 vessel)

Seven additional vessels all but the last on charter to C.P.O. agencies have joined those itemised at paragraph 4 of my (40) in this series of which the particulars, as vessels operating from Hong Kong and under the Hong Kong or British flags, are as follows:-

(1)	8.8.	"HO FU	mo=
***		gress	tons
	Owner	10.0	

Fort of Registry: Hong Kong 4419 not tons Yick Fung Shipping & Enterprises Go. Lidley 1003, Wong House, H.K.

#### Managora & Agenta: Charterers:

Eiu Lee Company 405, Wong House, Hong Kong.

(11) S.S. "DARTFORD" 2739 gross tons Omners:

Port of Registry: Hong Kong 1520 net tons Penincular Shipping Co. Ltd., Chiao Shang Building, H.K.

Managorat

Goean Tranging Co. Ltd., Chiao Shang Building, H.K. For East Enterprising Co.(HK) Ltd.

(111) 8.8. "GREENFORD" 2964 gross tons Omnars, Managers and Chartererai

Charteroras

Fort of Registry: Liverpool 1549 net tons as for "DARTFOID" at (ii) above.

(1V) S.S. "ROCHFORD" 3324 gross tons Owners, } Henngers and ) Chartororas

Port of Registry: Hong Kong 1865 not tons

as for "DARTPORD" at (11) above.

(V) B.s. "STARFORD" Mich gross tons Owners,

Port of Registry: London 1898 net tons

Managora and) Charterers: )

as for "DARTFORD" at (ii) above.

(v1) s.s. "ISABEL ERICA" 7105 gross tons Owners:

Managera:

Charterorn:

(vii) s.c. "JESSELCON BAY"
7189 gross tons
Owners and
Managers:

Charterers:

Port of Registry: London 1959 not tone 5t. Herryn Shipping Co. Ltd., 1902, Chartered Bank Building Hong Kong. Red Anchor Line Ltd. of same address. Far East Enterprising Co. (N.E.) Ltd.

Port of Rogistry: Newcastle 5073 net tons Einebetangen Shipping Co., 1508 Hang Seng Bank Building, Hong Eong. United China Shipping Co., 1508 Hang Seng Bank Building, Hong Kong.

#### FROM PEKING TO FOREIGN OFFICE

Cypher/OTP
Mr. Hopson
No. 80
31 January 1966

#### DEPARTMENTAL DISTRIBUTION

D. 0913 31 January 1966 R. 1138 31 January 1966

#### PRIORITY

#### CONFIDENTIAL

Addressed to Foreign Office telegram No. 80 of 31 January
Repeated for information to: Governor Hong Kong Washington

My immediately preceding telegram: paragraph 2: Hong Kong

I hope that some effective way can be found to stop American Admirals holding Press conferences while in Hong Kong. (c.f. the assurances given to Willan after visit of Coral Sea in April 1965.)

Foreign Office please pass Washington 35.

[Repeated as requested]

#### DISTRIBUTED TO:

Far Eastern Dept. S.E.A.D. American Dept. J.I.P.G.D. I.R.D. News Dept.

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CONFIDENTIAL FROM WASHINGTON TO FOREIGN OFFICE Cypher/OTP DEPARTMENTAL DISTRIBUTION Sir P. Dean D: 0033 1 February, 1966 No. 398 R: 0117 1 February, 1966 31 January, 1966 IMMEDIATE CONFIDENTIAL Following from Stewart. North Viet Nam Shipping. Mr. Alexis Johnson telephoned on Mr. Rusk's instructions this evening. He said that he had understood that we should be ready for talks by the middle of this week and on this assumption Solomon was intending to fly to London tomorrow (Tuesday morning) in anticipation of being able to meet the competent British officials and begin work on Wednesday. I explained that we had had no reply at the time of speaking to our earlier telegrams. Mr. Johnson then said that for presentational reasons as much as for the substance of the matter it was really necessary for the administration to be seen to be doing something urgently. He hoped in these circumstances Solomon would be able to leave as planned. I said that I would report but that since Solomon was due to leave in a few hours only he had better go ahead. DISTRIBUTED TO: ADVANCE COPIES SENT: S.E.A.D. General Dept. American Dept. I.S.D. News Dept. JJJJJ CONFIDENTIAL

#### FROM FOREIGN OFFICE TO WASHINGTON

Cypher/OTP

DEPARTMENT AL DISTRIBUTION

No. 1232 31 January, 1966.

D. 2020 31 January, 1966.

IMMEDIATE CONFIDENTIAL

Your telegram No. 384 /of 29 January: Shipping to North Vietnam/.

Please tell the State Department that we shall be happy to see Mr. Solomon and will suggest a date as soon as Ministers have approved the brief now being prepared for discussions with him.

#### DISTRIBUTED TO: -

S.E.A.D.
General Department
American Department
I.S.D.
News Department

本班林米米

#### INWARD TELEGRAM

## TO THE SECRETARY OF STATE FOR THE COLONIES

# COPY FOR REGISTRATION

FROM HONG KONG (Sir D. Trench)

Cypher

D. 31st January 1966 R. 31st ""

10.20 hrs.



#### IMMEDIATE CONFIDENTIAL No. 92

(15)

Your telegram No.118.

Shipping to North Vietnam.

International conventions on shipping are already strictly applied in Hong Kong, and there is not much further scope for administrative action except under -

- (a) The merchant shipping loadline convention (H.K.) No.1 Order, 1935; or
- (b) The Safety of Life at Sea Convention 1960.
- 2. Under (a) a surveyor can be sent to inspect efficiency of ships' closing appliances and to check that loadline markings accord with loadline certificates. Unless vessel concerned is overloaded (which is unlikely for British ships going to N. Vietnam as most are in ballast) the most that the surveyor can do is to ask for certain remedial action to be taken immediately and if not to serve a detention order on master until matter has been rectified. But it is unlikely that surveyor would be able with any degree of plausibility to ask for more than minor repair work which might at the most delay clearance of ships for a few days.
- Junder (b) similar powers of inspection apply to all life-saving appliances and related equipment. But under H.K. Merchant Shipping Ordinance No.14 of 1953 if detention is to be extended beyond 24 hours the owner, master or agent can call for an independent assessor or a court of survey. If it appears that there was not reasonable cause for the detention Government are liable to pay the owner costs of the detention as well as of the surveys and compensation for loss or damage sustained as a result of the detention. These might vary between £500 £1,000 per day, depending on the size of the ship. This procedure could therefore only be employed with great caution and there would be severe risks in using it to impose significant delays on shipping.
- 4. My initial view is that the most that could be achieved here by tougher application of international shipping conventions would be minor delays in departure of vessels for

/North

FAR EASTER

North Vietnam. In any case what we were doing would soon be noticed and the ships would start to by-pass H.K. altogether, as most of them could do without major inconvenience.

5. So far as restraints additional to those already existing in respect of strategic commodities on Hong Kong's small volume of trade with North Vietnam are concerned, my view is that nothing effective could be done without legislation.

Copies sent to:-

Foreign Office (S.E.A.D.) - Miss Pestell
Board of Trade
" " " Cablegram Section

#### INWARD TELEGRAM

#### TO THE SECRETARY OF STATE FOR THE COLONIES

FROM HONG KONG (Sir D. Trench)

Cypher

D. 29th January, 1966

R. 29th " " 05.30 hrs.

PRIORITY CONFIDENTIAL No. 87

Addressed to Colonial Office.

Repeated "Washington No. 20.
"Saigon No. 5.
"P.A. Singapore No. 3.

(S. of S. please pass Priority to all).

Foreign Office telegram No. 963 to Washington.

Shipping to North Vietnam.

U.S. Consulate-General has informed us that a decision has been taken by U.S. Government that

> "Free world ships calling in North Vietnam will be banned from carrying U.S. sponsored or U.S. financed cargoes. Certification procedure will make it possible for a shipping company to resume eligibility by certifying that the ships and all other ships under the company's control will no longer call in North Vietnam".

- Consulate-General says that decision has not yet been published and that we are not therefore free to pass information in any form to local shipping interests.
- Grateful for any further information available to you especially about likely date of announcement.

(Message passed to D.S.A.O. for repetition to Washington, POLAD Singapore and Saigon).

Copies sent to:-

Foreign Office (S.E. Asia Dept.) - Mr. J. E. Cable. - Miss K. Pestell.

- Staff Officer, 123 King Charles Street.

Board of Trade - Dr. I. Russell. - Cablegram Section.

COPY FOR REGISTRATION

IN Rous 16

The Honl A.P.H.T. Cumming-Bruce,

0.B.E.

With the Compliments of

THE PRIVATE SECRETARY

27 January, 1966.



As requested in your letter of 25 January I enclose a short note about British ships calling at North Vietnamese ports. To save time we have not cleared this with the other Government Departments with whom we are now discussing this question, but I think it takes account of their views.

I am sending copies to Cumming-Bruce at the Colonial Office and Nicoll at the Board of Trade. (Sd) T. E. DNIOGES

## American Complaints about British Ships calling at North Vietnamese Ports

American complaints that British ships calling at North Vietnamese ports were helping the North Vietnamese war effort have been going on for over a year. Initially these came only from isolated Congressmen, but in March 1965 they were taken up by the State Department and in June the British, Greek and Norwegian Embassies in Washington received an official complaint on the subject from the State Department. Our policy, in accordance with the Prime Minister's Minute of 14 June, 1965, in which he said "I presume that we are not giving way at all on this.", has been to try to convince the United States Government and American public opinion that the few British ships engaged in trade to North Vietnam afford no significant assistance to North Vietnam. In the last week or so, however, H.M. Ambassador at Washington has told us that public feeling on this issue in the United States has greatly increased in intensity. The United States Government, faced with strong criticism from Congressmen and Senators for the alleged failure for American diplomacy on this issue, are now urging us with greatly increased emphasis to take measures to prevent ships flying the British flag from calling at North Vietnamese ports. The essential facts are that about 21 ships flying the British flag are engaged in this traffic. Three of these are genuinely British ships, but on charter. The remaining 18 are owned in Hong Kong and most of them are registered there. The majority of these ships are either owned or chartered by Chinese Communist enterprises in

/Hong

Hong Kong. None of these ships carry materials on the agreed embargo list and most of their voyages to North Vietnam are in fact made in ballast, the purpose being to pick up North Vietnamese export cargoes on arrival. During 1965 ships flying the British flag made a total of 75 calls at North Vietnamese ports (less than half the figure for 1964).

- 3. Actual trade between the United Kingdom and North Vietnam is even more insignificant: exports and imports together were worth less than £190,000 in 1965. Comparative figures to show the trade maintained by other Western countries with North Vietnam are hard to come by but such figures as we have suggest that several other Western countries have been doing far more trade with North Vietnam than we have.
- Nevertheless American attitudes on this question are primarily determined by emotional considerations and much recent use has been made of the argument that Britain is not reciprocating American co-operation over sanctions on Rhodesia. It has accordingly seemed prudent to examine urgently what measures could be adopted, if Ministers so decided, to meet American wishes and to restrict this trade. It has been assumed that Ministers would not wish to introduce special legislation for this purpose and consideration is accordingly being given only to those measures of an administrative character. It is hoped to produce a paper on the subject early next week. In doing so, one of the major difficulties will naturally be the delicate position of Hong Kong, which depends for its existence on Chinese toleration. 4. While this work is in progress, we have thought it better to resist the American desire to send a senior official to London for immediate discussions. Instead the Foreign

/Secretary

Secretary proposes to have a brief personal discussion with Mr. Rusk this week and to invite American officials to come to London next week for a purely factual exchange intended to make clear the very limited character of this traffic and the nature of the problems confronting us.

SOUTH-EAST ASIA DEPARTMENT

FORE IGN OFFICE

27 January, 1966

#### **OUTWARD TELEGRAM**

## FROM THE SECRETARY OF STATE FOR THE COLONIES

то но

TO HONG KONG (Sir D. Trench)

Cypher

FED 82/961/01

Sent 26th January, 1966. 23,42 hrs.

IMMEDIATE SECRET No. 118

(8)

Your telegram No. 75.

Vietnam.

We shall certainly keep in mind Hong Kong's close interest in any matters involving trade or shipping embargoes on North Vietnam.

2. Departments here however are now considering whether it would be possible or desirable to take some action (short of any measures which would involve legislation) to restrict trade and shipping with North Vietnam. Elliott's letters of 27th and 18th November give valuable indications of your views but we should be grateful for any other comments which you may wish to make. In particular we should be grateful for an indication of any action of an administrative nature which might impede shipping or trade with Vietnam: e.g. strict application of international conventions relating to shipping.

Copies sent to:-

Foreign Office (S.E.A.D.)

- Miss Pestell

Board of Trade

- Dr. Russell

- Cablegram Section

# PRIORITY MARKINGS Entry her have priority Reply urgently required.

# File No. FED 82/961/01

## \*TELEGRAM

## \*SAVINGRAM

Delete whichever is inapplicable. If necessary, "Priority" may be inserted before "Savingram."

SECURITY, ETC., MARKINGS

Top Secret Secret Confidential Restricted Unclassified

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Mr. Ross Mr. M. M. Mr. 26 (1)	I (Insert app
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Your telegram No. 75.

Vietnam;

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FROM THE SECRETARY OF STATE FOR THE COLONIES

# COPY FOR REGISTRATION

TO HONG KONG (Sir D. Trench)

Cypher

Sent 25th January, 1966. 23.59 hrs.

SECRET No. 112

Following telegram of 25th January from Foreign Office addressed to Washington No. 963 repeated for information Hong Kong, and saving to Saigon and Havana.

Begins.

(3)(6)

Your telegrams Nos. 254 and 256 of 21st January.

Shipping to North Vietnam.

What Mr. Mann now envisages is clearly much more farreaching than the working group discussions which you and we had
had in mind. This is a complex and delicate matter on which I
would like to have a word personally with Mr. Rusk. Until I
have done this I do not think a visit by Mr. Mann could achieve
anything. But it would be helpful if U.S. officials could come
here next week with a view to producing an agreed factual statement
of the trade and to our indicating to the Americans the limits of
what can be done under existing legislation (for your information
purely practical difficulty is that B/T officials principally
concerned will not be available this week owing to other commitments).

2. I leave it to you how best to make clear to those concerned in Washington that no snap decision can be taken in this matter.

Ends.

## **OUTWARD TELEGRAM**

## FROM THE SECRETARY OF STATE FOR THE COLONIES



# COPY FOR REGISTRATION

TO HONG KONG (Sir D. Trench)

En Clair

Sent 25th January 1966. 01.35 hrs.

No.108

Following telegram of 22nd January from Washington addressed to Foreign Office No.263 repeated for information to Governor Hong Kong No.17 and saving to Saigon No.10 and Havana No.4.

Begins.

Shipping to North Vietnam.

Following is text of exchange at Mr. Rusk's news conference on 21 January.

Begins.

Q. Don't you think there is something incongruous in the fact that the British are supplying by ship munitions and other materials to the Vietcong while Australians who are part of the British Commonwealth are fighting the Vietcong?

A. I'm not aware of any munitions supplied by the British by ship to the Vietcong. As a matter of fact, free world shipping to North Vietnam has been very drastically reduced in the past several months. We know that strategic materials are not moving into North Vietnam by ship. Indeed many of those free world ships go in empty in order to bring out fresh fruits and vegetables and other products for other countries. These free world ships, for the most part, are under charter to communist countries and are not fully under the control of the flag - of the countries whose flags they fly.

Ends.

25 JAN1966

Ends.

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#### NORTH VIETNAM

Flags B, C, T.

Flag G.

Flag N.

The Minister will have seen from Washington telegrams

Nos. 99, 105 and 106 that there is a growing demand in the United

States for the United Kingdom to impose a trade embargo on North Vietnam and simultaneously prohibit British flag vessels entering North

Vietnamese ports. Washington telegram No. 255 shows that this pressure in the United States comes not from the administration or the military but from Congress. The State Department has however felt obliged to press this matter with H.M.G. and the American case is fully and fairly described in the representations, which their Commercial Minister in London, made to the Assistant Secretary of State for Economic Affairs in the Foreign Office on January 24th.

- 2. The problem is now being discussed at the official level principally by the Foreign Office and the Board of Trade and, whilst the Foreign Office are being pressed by the Embassy in Washington to fall in behind the Americans, there is considerable reluctance on the part of that Department and the Board of Trade to do so. At present official thinking is to examine what action (short of any measures which would involve legislation) can be taken to support the Americans. This could mean for example a letter to the British Chamber of Shipping asking British owners to extend a voluntary boycottof Vietnamese Ports.
- 3. Whilst Hong Kong's interests in Vietnam are minimal the Colony unfortunately occupies a key position for geographical, commercial and maritime reasons in any action which has to be taken against the North Vietnamese. Hong Kong's direct interests are as follows. Trade with Vietnam is -

Million of H.K. %.

Hong Kong	Imports	Exports
1964	21.3 m.	9.6 m.
1965 6 months,	7.5 m.	0.9 m.

The above trade is insignificant but in shipping Hong Kong occupies a major position. Whilst there is still some dispute about figures it appears that 21 British Flag vessels visited North Vietnamese ports in the last quarter of 1965, with a total of 47 visits. Of these 21 ships, 11 were registered in Hong Kong but only 3 were of genuine British ownership and these 3 were under foreign charter. In addition 18 ships in Hong Kong ownership visited North Vietnamese ports; 10 of these ships were owned by the Ocean Tramping Group which is controlled by Peking. It can therefore be seen that any action to stop British flag vessels or vessels owned by the Companies resident in U.K. territories, would virtually fall on Hong Kong alone. U.K. shipping interests as such are scarcely affected.

- 4. In an inter-Departmental meeting which was held on January 24th
  Hong Kong's position was fully explained and accepted by representatives
  of the Foreign Office and the Board of Trade. The points thus put were:-
  - (a) No action should be taken without this Department and Hong Kong being fully consulted.
  - (b) There could be no question of Hong Kong alone taking restrictive measures either commercially or on shipping matters. If Hong Kong were to be asked to take action (this is by no means certain) then it could only be in the frame-work and following similar measures taken in the United Kingdom.
  - (c) The special position of Hong Kong must be kept fully in mind.

In developing this third point it was emphasised that Hong Kong's prosperity depended not only on a free market with as few controls as possible, but whether we liked it or not, it depended on a certain degree of tolerance from the Government in Peking. There could be no dispute that the People's Republic of China were intimately involved into the North Vietnamese War and action taken by Hong Kong to impede the North Vietnamese could well prompt certain counter measures. In addition to the normal difficulties which the Chinese could raise there was a new aspect which the Foreign Office should ask the Americans to consider. At present Hong Kong is giving valuable logistic support to the American forces fighting in Vietnam. It has

become an important leave centre and is being used increasingly by

American naval units for rest and recreation, but if Hong Kong should

appear to become involved in the Vietnamese War then the Chinese could

make it impossible for these facilities to be continued. This is

therefore a question of priorities which the Americans should consider.

- 5. The above points have been accepted by the Foreign Office and in addition we are sending to them a detailed statement of the effects which any embargo would have on Hong Kong. The Governor of Hong Kong is being consulted on this.
- 6. The immediate position is that whilst the Foreign Secretary will be in Washington on January 27th, he will not himself raise the matter, but if tackled on it, has been briefed to give figures which show that U.K. shipping to Vietnam has declined in the past year and to state that the matter will be discussed in London next week with State Department officials. We are cooperating with the Foreign Office in the production of a paper in preparation for these talks. This will be submitted when available.

HONG KONG DEPARTMENT, 27th January, 1966.

# 12

#### NORTH VIETNAM

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HONG RONG DEFARTMENT, 27th January, 1966.

Mr.....Ross... Mr. fos Cart

Sir.....

Permt. U.S. of S. Parly. U.S. of S. Minister of State

Secretary of State

Your Reference.....

January, 1966

DRAFT SUBMISSION.

#### NORTH VIETNAM

FLAG G'

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**FURTHER ACTION** 

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Hong Kong Dept 27 - James , 1966.

Whether If the Americans press the trine to the point of gille in transmitted and ever asserted to assert about to ark is to take adminitrative meaning to impede Trade + Shipping contacts, I'm is an issue which ne feel we four tong to have to the tort victors of of metalities at the Americans press for statutory controls This is an ione which well alea to have to go to Cabinet. If they merely ask us to take administrative measures to imprede trade t thyping contacts, the title danger effect 12 at the will recie have on Hong Hong 4 or real blushe and now the work of the many view, serious enough for Homelers have hen the Chimon could discheriomist muniferal level. meter it impossible so, these facilities to be continued. mendence, all with their to actions a solution the Tolerant about bisconn the who had have the Fire and in what street her go as she to be should not some there is you for the case the same any a the rate of the part of the colored the de with what he whenes on a small on the He change ( Marie Marie II. of ACE of them.

FROM WASHINGTON TO FOREIGN OFFICE Clair FO/CRO/WH DISTRIBUTION Sir P. Dean D. 2110 22 January 1966 No. 263 22 January 1966 R. 2202 22 January 1966 PRIORITY Addressed to Foreign Office telegram No. 263 of 22 January. Repeated for information to: Hong Kong And Saving to: Saigon Shipping to North Viet Nam. Following is text of exchange at Mr. Rusk's News Conference on 21 January. Begins:-Q. Don't you think there is something incongruous in the fact that the British are supplying by ship munitions and other materials to the Vietcong while Australians who are part of the British Commonwealth are fighting the Vietcong? I'm not aware of any munitions supplied by the British by ship to the Vietcong. As a matter of fact, Free World shipping to North Viet Nam has been very drastically reduced in the past several months. We know that strategic materials are not moving into North Viet Nam by ship. Indeed many of those Free World ships go in empty in order to bring out fresh fruits and vegetables and other products for other countries. These Free World ships, for the most part, are under charter to Communist countries and are not fully under the control of the flag - of the countries whose flags they fly. Ends. Foreign Office please pass to Hong Kong 17 and Saving to Saigon 10, Havara 4. [Repeated as requested. Passed to C.O. for transmission to Hong Kong.]

AAAAA

0955

#### SECRET

#### FROM WASHINGTON TO FOREIGN OFFICE

Cypher/OTP

FO/CRO/WH/DISTRIBUTION

Sir P. Dean

No. 254 21 January 1966

D.0125 22 January 1966 R.0305 22 January 1966

IM/EDIATE SECRET

Addressed to Foreign Office telegram No. 254 of 21 January Repeated for information to: Hong Kong and Saving to: Saigon

My telegram No. 235: Shipping to North Viet Nam.

I told Mr. Mann on 21 January that we would see advantage in having early discussions on trade with North Viet Nam. His immediate reaction was to say he wondered whether we could pass some kind of order prohibiting British flag ships trading with North Viet Nam; it would be preferable if we could enforce it; but otherwise the Americans could turn the ships back. The pressures on Capitol Hill on this subject were quite unmanageable, and the Congress, including both those who were in favour and those against our Rhodesian policy simply would not understand a situation whereby we were prepared to control trade with Rhodesia and to press the Americans to do the same, but not with North Viet Nam.

- 2. He asked whether the discussions should take place here or in London. It might, he thought, be better to have them in London, as the matter was fundamentally one of British law and politics.

  He appreciated our willingness to talk, and would be ready to go over himself, or send a very high ranking State Department official, and also a legal expert, sometime next week or even over the weekend. Such a visit, apart from its intrinsic usefulness, would have a valuable effect on the Congress; the Administration has implied would be seen to be doing comething. tion, he implied would be seen to be doing something.
- 3. While realising our difficulties, he emphasised that it was in our common interest that a solution to this problem be found, and the quicker the better (he was clearly thinking in terms of days rather than weeks). If the United States and the United Kingdom got more deeply involved in the Rhodesian problem there was liable to be opposition: he instanced particularly the small people in the South, particularly in the tobacco industry, who disliked the "anti-white, pro-black" policy which, as they saw it, was being followed. He made clear that the State Department were having to consider whether they could defend us on this matter; it might be impossible for them to continue to do so, so far as trade with Viet Nam was concerned.
- 4. I pointed out that it would be very difficult for us to legislate on this matter, and that I was very doubtful what we could do; American enforcement of British legislation in this context would, I was sure, be quite out of the question.

/I emphasised

SECRET Washington telegram No. 254 to Foreign Office - 2 -I emphasised that we could show that the trade was really insignificant. Mr. Mann said that the Administration knew this, but it was not material how much trade there was; the very fact that there was any created difficulties. The Americans were seeking to dissuade other countries who were trading with North Viet Nam; he promised me an account of their efforts. In response to a question, Mr. Mann confirmed that it was not (repeat not) an Administration position to link Viet Nam and Rhodesia; the fact of the matter was, however, that politically the two matters were linked. The American people felt thoroughly frustrated about the war in Viet Nam, and this was the one point that they could seize on. He handed me a copy of extracts from recent Congressional statements - text in my immediately following telegram. 6. Mr. Mann made clear that, for time being, the Americans were prepared to talk about North Viet Nam alone; but Congress and the public were bringing in Cuba, and there might be further pressure on that aspect as well. 7. Please see my two immediately following telegrams. As an example of Congressional feeling my immediately following telegram contains excerpts from the record of 12 January attacking this trade and the weakness of the State Department in failing to get it stopped. Other excerpts, some of which are even rougher, have gone by bag addressed to Slater. Foreign Office pass Immediate Hong Kong 13 and Saving to Saigon Saigon 6 and Havana 1. [Repeated as requester] ADVANCE COPIES SENT SECRET

FROM WASHINGTON TO FOREIGN OFFICE En Clair FO/CRO/WH/DISTRIBUTION Sir P. Dean D.0100 22 January 1966 R.0330 22 January 1966 No. 255 21 January 1966 IMEDIATE Addressed to Foreign Office telegram No. 255 of 21 January Repeated for information to: Hong Kong and Saving to: Saigon Havana Following are extracts from Congressional statements about trade with North Viet Nam and Cuba: Mr. Gross: British profiteers have refused to stop trading with Communist China, and Communist Cuba. Does the United States Government have a double, triple or quadruple standard of morality to be applied in the case of friendly Rhodesia? Mr. Erlenborn: Mr. Speaker, now that the United States has agreed to cooperate fully in the embargo on Rhodesia, the time has come to halt British and other Free World shipments of vital supplies to Communist Cuba. Surely our Administration should insist that Britain and the others of our Allies ecoperate with us as we have with them. A Free World embargo of Cuba should be proclaimed at once. Mr. Devine: Mr. Speaker, perhaps nothing better demonstrates the lack of United States prestige than the fact that even our Allies have not heeded our requests for an embargo on Communist North Viet Nam and Cuba. The record shows that, despite requests by the State Department, Free World vessels continue to unload vital supplies in quantity in both North Viet Nam and Cuban ports. Mr. Dickinson: I feel that not a moment should be lost in enforcing an embargo on our two active Communist enemies. So far eleven days have gone by without, so far as I am aware, any action being taken. Mr. Ashbrook: Mr. Speaker, how inept in diplomacy can we get? Here we are busy halting oil, sugar and other shipments into Rhodesia. Yet our present diplomats cannot get our friends to stop shipping vital supplies to our active enemies. We know the State Department has tried but apparently not very hard and certainly not with effect. After all, this is not a pink tea. This is not table tennis. Free World shipments to North Viet Nam and Cuba endanger the flower of our manhood in one gase and our security as a nation on the other. If the Administration's diplomats cannot get an embargo on Free World shipping to North Viet Nam and Cuba, I suggest we fire them and get some diplomats who can. Ale. Lartin:

### **INWARD TELEGRAM**

### TO THE SECRETARY OF STATE FOR THE COLONIES

# COPY FOR REGISTRATION

FROM HONG KONG (Sir D. Trench)

Cypher

D. 26th January 1966

R. 26th

08.10 hrs.

10

SECRET No.76

> Addressed to Colonial Office Repeated "Washington No.16 Saigon No.4 Hanoi No.2

(S. of S. please pass IMMEDIATE to Washington and ROUTINE to Saigon and Hanoi)

(8)

My immediately preceding telegram.

Shipping to North Vietnam.

Most of the Masters of the British flagships are British and we have fairly extensive knowledge of the cargoes carried by them to North Vietnam. I understand (see paragraph 5 of our telegram No.49) that Intelligence staff Far East Fleet discussed the facts twice last year with the staffs of C. in C. U.S. Pacific Fleet and Commander Seventh Fleet, notably in November during Anzukus II Conference. The points below were generally accepted:

- (a) Very little cargo is exported from Hong Kong to North Vietnam: and what is exported is of course subject to the Cocom strategic controls.
- (b) The majority of these ships arrive in North Vietnam in ballast: but some do load in Chinese ports and carry small quantities of general cargo, e.g. porcelain, clothing, skins and low-grade manufactured consumer goods to North Vietnam. The only possibly "vital supplies" known to have been shipped on British vessels during 1965 were one batch of petrol in drums (in July) and small consignments of steel bars and pipes.
- (c) The cargoes carried on return from Vietnam consist primarily of bulk coal, cement or apatite for Chinese and other Far Eastern ports. A few ships have loaded cargoes of agricultural produce for the Hong Kong market.
- (d) It appears that the Chinese have plenty of their own ships available to take strategic and vital supplies to North Vietnam: and it seems unlikely both for political and security reasons that they would attempt to use British ships for sensitive traffic.

4

2. If ships of British registry were banned from visiting North Vietnam, it would not be difficult for the North Vietnamese to find other ships to take their place in carrying general cargo there. The Hong Kong Chinese ships engaged in the trade could easily be switched to Chinese registry. Alternatively ships from other non-communist countries, e.g. France and the Lebanon could be used as substitutes for our vessels. From an Intelligence point of view a change of this sort would be unfortunate, for we should lose our present means of checking on the cargoes carried as well as a valuable source of first-hand Intelligence on North Vietnam.

(Message passed to D.S.A.O. for repetition IMMEDIATE to Washington and ROUTINE to Saigon and Hanoi)

Copy sent to:

Foreign Office - Staff Officer R.123, King Charles St.



# COPY FOR REGISTRATION

FROM HONG KONG (Sir D. Trench)

Cypher

D. 26th January 1966 R. 26th ""

08.05 hrs.

IMMEDIATE SECRET No.75

> Addressed to Colonial Office Repeated "Washington No.15 Saigon No.3 Hanoi No.1

(Please pass IMMEDIATE to Washington, ROUTINE to other two)

(3) (6)

Washington telegrams Nos. 254 and 256.

Shipping to North Vietnam.

I am sure you will bear in mind our close interest in this. Some of the most important considerations from Hong Kong's point of view (including an assessment of the local political risks) were set out in Elliott's letters of 27th September and 18th November to Cable in the Foreign Office (copied to Carter in November).

2. My immediately following telegram contains a summary of the detailed information available here about the cargoes carried by these ships.

(Message passed to D.S.A.O. for repetition IMMEDIATE to Washington and ROUTINE to Saigon and Hanoi)

Copy sent to:

Foreign Office - Staff Officer R.123, King Charles St.



Moveered by 15



the Ross Colonial office



With the compliments of

MR. T.W. GARVEY

POREIGN OFFICE, 8.W.1
24 Jan. 1966.

4/7

### CONFIDERTIAL

# NORTH VIETNAM: BRITISH SHIPPING

The American Minister (Economic) came to see me this morning, on instructions, to deliver a copy (attached) of a letter of 22 January from Mr. Douglas MacArthur II, Assistant Secretary of State and the Chairman of the Senate Foreign Relations Committee and the House Foreign Affairs Committee. The letter is, in all the circumstances, a very fair statement of the position. It states in the final paragraph that the U.S. Government are continuing their efforts to get all friendly countries, including the United Kingdom, to withdraw their shipping from the North Vietnam trade.

- Having discharged his instructions, Mr. Willis Armstrong went on to speak personally about the background of the representations made by Mr. Thomas Mann to Sir P. Dean (Washington telegrams Mos. 254-256). He thought it very important that H.M.G. should return a prompt and affirmative reply to Mr. Mann's suggestion for talks in London this week. He said that the U.S. Government were not really concerned about the shipping trade with North Vietnam as such. They knew that the amount was very small and that it was of no importance to the ability of the North Victorianese to conduct the war. It was rather a matter of purlic attitude and reactions, and the matter had acquired a strong emotional content. It could easily "affect other things". Rh. Lia was one. We would know the trouble that the U.S. Go arnment had had over chrome. Although H.M.G. had enacted an Order in Council, the U.S. Government had not been 30 cessful in persuading their chrome importers to comply. Other similar problems might arise. If H.M.G. were able to do something helpful over shipping to Vietnam, the public reaction in the U.S.A. would be highly favourable. Moreover, the economic loss to ourselves in abandoning this trade would be minimal.
- 3. Secondly, a party from the Pederal Maritime Commission, headed by Admiral Harllee and Messrs. Day and May, would be starting discussions in London on 1 February with British shipping interests on the controversial subject of freight rate discrimination. They would be accompanied by Congressman Garmatz, Chairman of the House Merchant Marine Committee, who was to be entertained by Mr. Mason, the Minister of State in the Board of Trade. The State Department were hopeful that this visit might lead to a resumption of dialogue between the United States and its shipping partners, and a reduction of the risk of more American unilateral orders to foreign shipping. If some positive move took place before the F.H.G. prty's arrival, it should at least have the effect of reducing Admiral Harlbe's already considerable propensity for making trouble.
- 4. Thirdly, a bery of American legislators would be coming over later next week for the annual Ditchley Conference. They would include Senator Bennett of Utah and a number of oters interested in the Vietnam shipping question and would be very ready to ventilate this subject. Mr. Armstrong was not trying to threaten us with Congressmen, but the problem existed and he thought that it would be much in our interest

if it were possible for H.M.G. to make some move before these visitations occurred. In view of the tone of these remarks, I said that I would ask Mr. Armstrong a personal question arising from his personal observations. He was plainly aware of the practical and political difficulties in making any move to satisfy American opinion. The United Kingdom vessels concerned were on time charter. Hong Kong vessels were much less directly under H.M.C.'s control. What, concretely, did he suggest that H.M.G. could do? He replied that we could perhaps ask the British Chamber of Shipping, on a voluntary basis, to keep their vessels out of the North Vietnam trade. They might very well reply that vessels on time charter could not be extracted, but that they would not enter into fresh charters. That would be something, and would be a sign of goodwill. They might add that they could not speak for owners who were not members of their organisation, and these might include owners in Hong Kong. But then it might be possible to look at means of stopping Hong Kong vessels either by legislation or persuasion or some other means. The Danes and Norwegians had been able to prevent their vessels from trading to North Vietnamese ports by means of a similar arrangement with their Chambers of Shipping. If we tried we might be able to do the same. I took note of this suggestion.

o. Mr. Armstrong repeated at the end that he hoped very much that we would reply positively to the suggestion for a visit to London. Even if it did not take place until the end of the week it would be a help if we have the impression that it was taking place at once. Mr. Mann had been keen to come even over this last weekend. He had the President on his tail.

(T.W. Garvey)

24 January,

Mr. de la Mare

Copies:
P.U.S.
Sir d. Allen
Sir C. O'Neill
Mr. Hohler
American Dept.
S.E.A.D.
General Dept.
Mr. C.M.P. Brown, Board of Trade
Tr. L.S. Ross, Colonial Office.

2-/1/66/7

COPY OF LETTER TO SENATOR FULBRIGHT AND CONGRESSMAN MORGAN

Dear Mr. Chairman:

The Department of State shares the deep concern you have expressed over continued voyages by Free World ships to North Viet-Nam and is making continuing efforts to reduce that shipping. High level approaches have been made to all countries involved. These efforts have met with considerable success and the number of Free World vessels in the trade has been diminishing steadily, with none of the vessels carrying strategic cargoes. During 1965 the number of voyages by Free World vessels declined considerably as compared with 1964. The decrease has been particularly significant during the past five months, when the monthly average was only 13 calls. By comparison the monthly average of Free World calls in 1964 was 34. The majority of these vessels were not carrying goods to North Viet-Nam, but were arriving in ballast to pick up outgoing cargoes.

The Free World shipments in question are not being made by the governments concerned, but by private traders in ships sailing under various national registries. Each country has special legal problems in controlling such shipping which take some time to resolve but we have been making every effort to obtain early and effective action.

In making diplomatic representations, the Executive Branch is mindful of the provisions of the recent amendments to foreign assistance legislation which call for the denial of economic and military aid to countries that do not take appropriate steps to remove their ships from the North Viet-Nam trade. We have notified all affected governments of these legislative provisions, and have continued to press them to obtain maximum cooperation from those very few countries still having ships in the trade.

The only aid-recipient countries whose ships have called at North Vietnamese ports within the past six months, and some of these were under long-term charter to Communist countries and therefore not under control of their owners, were Cyprus, Greece, Lebanon, Liberia, and Norway. Some of these countries state that they have no legal authority to control in peacetime the movement of privately owned vessels but the Lebanese and Liberian Governments have issued regulations making it unlawful for their ships to carry cargo to or from North Viet-Nam. In other cases, the shipowners in the countries concerned have obviously found it in their own interest to get out of the trade as witnessed by the drastic reduction, and in some cases complete elimination, of their involvement in shipping to North Viet-Nam.

Questions have been raised as to the position of Great Britain on the problem. The great majority of British vessels in the North Viet-Nam trade are small coastal vessels owned and registered in Hong Kong and under time charter to Communist operators, yet carrying the British flag. The value of total British trade with North Viet-Nam (imports and exports) amounted to about \$265,000 in 1964 and all of it was non-strategic. Nonetheless, we are continuing our efforts with all friendly countries, including the United Kingdom, who have been involved in the North Viet-Nam trade in order to accomplish withdrawal of all Free World shipping from that trade.

Sincerely,

Douglas MacArthur II
Assistant Secretary for Congressional Relations

# 6

### OUTWARD TELEGRAM

# FROM THE SECRETARY OF STATE FOR THE COLONIES

TO HONG KONG (Sir D. Trench)

Cypher

Sent 23rd January, 1966. 01.00 hrs.

IMMEDIATE SECRET No. 106

Following telegram of 21st January from Washington, addressed to Foreign Office No. 256, repeated for information to Hong Kong No. 15 and by saving to Saigon and Havana.

Begins.

(5)

My telegram No. 254.

Shipping to North Vietnam.

In spite of Mr. Rusk's attempt today to keep the pressure down, it is clear that this matter is developing into a most serious political issue in Congress and in public opinion generally. Messrs. Ball, Leddy, Mann and others have, I am pretty sure, been doing their best to put as good a face as possible on the matter and to defend our position in the Congressional Committees. But the pressure is now becoming too great. In my recent tour of Texas I was asked numerous questions about this trade, nearly all of them linked to Rhodesia. We can no doubt do something to alleviate the pressure by publicising the minimal importance and volume of the trade and the fact that it is carried out by ships which are not under our direct operational control. But these are palliatives and unless we can do something substantial quickly I fear a failure to resolve this matter, in some way or other, will put a severe strain on Anglo-American relations and substantially reduce the willingness and the ability of the administration to co-operate with us over Rhodesia as they are at present doing. We can argue that Rhodesia is different, but so it is to the Americans who have been losing 50 lives a week in North Vietnam.

- 2. I therefore strongly recommend that you should agree to fix a date for discussions in London as early as possible during the coming week and I am glad to see from Slater's letter of 20th January that preparations are in hand. We must (?grp omitted) think, be ready to receive Mann or somebody of comparable rank and to discuss with him not only how to explain the present position in the most favourable way, but also what steps can be taken quickly, in spite of the substantial legal and political difficulties involved, to reduce, if not to stop altogether, this trade in the early future.
- Jackson will be available in London on Monday morning as requested.



### **OUTWARD TELEGRAM**

# FROM THE SECRETARY OF STATE FOR THE COLONIES

TO HONG KONG (Sir D. Trench)

Cypher

Sent 23rd January, 1966. 01.10 hrs.

IMMEDIATE SECRET No. 105

Following telegram of 21st January from Washington addressed to Foreign Office No. 254 repeated for information to Hong Kong No. 13 and by saving to Saigon and Havana.

Begins.



My telegram No. 235.

Shipping to North Vietnam.

I told Mr. Mann on 21st January that we would see advantage in having early discussions on trade with North Vietnam. His immediate reaction was to say he wondered whether we could pass some kind of order prohibiting British flag ships trading with North Vietnam; it would be preferable if we could enforce it; but otherwise the Americans could turn the ships back. The pressures on Capitol Hill on this subject were quite unmanageable, and the Congress, including both those who were in favour and those against our Rhodesian policy simply would not understand a situation whereby we were prepared to control trade with Rhodesia and to press the Americans to do the same, but not with North Vietnam.

- 2. He asked whether the discussions should take place here or in London. It might, he thought, be better to have them in London, as the matter was fundamentally one of British law and politics. He appreciated our willingness to talk, and would be ready to go over himself, or send a very high ranking State Department official, and also a legal expert, sometime next week or even over the weekend. Such a visit, apart from its intrinsic usefulness, would have a valuable effect on the Congress; the administration, he implied, would be seen to be doing something.
- 3. While realising our difficulties, he emphasised that it was in our common interest that a solution to this problem be found, and the quicker the better (he was clearly thinking in terms of days rather than weeks). If the United States and the United Kingdom got more deeply involved in the Rhodesian problem there was liable to be opposition: he instanced particularly the small people in the south, particularly in the tobacco industry, who disliked the

/"anti-white.



"anti-white, pro-black" policy which, as they saw it, was being followed. He made clear that the State Department were having to consider whether they could defend us on this matter; it might be impossible for them to continue to do so, so far as trade with Vietnam was concerned.

- 4. I pointed out that it would be very difficult for us to legislate on this matter, and that I was very doubtful what we could do; American enforcement of British legislation in this context would, I was sure, be quite out of the question. I emphasised that we could show that the trade was really insignificant. Mr. Mann said that the administration knew this, but it was not material how much trade there was; the very fact that there was any created difficulties. The Americans were seeking to dissuade other countries who were trading with North Vietnam; he promised me an account of their efforts.
- 5. In response to a question, Mr. Mann confirmed that it was not (repeat not) an "administration" position to link Vietnam and Rhodesia; the fact of the matter was, however, that politically the two matters "were" linked. The American people felt thoroughly frustrated about the war in Vietnam, and this was the one point that they could seize on. He handed me a copy of extracts from recent Congressional statements text in my immediately following telegram.
- 6. Mr. Mann made clear that, for time being, the Americans were prepared to talk about North Vietnam alone; but Congress and the public were bringing in Cuba, and there might be further pressure on that aspect as well.
  - 7. Please see my two immediately following telegrams.
- 8. As an example of Congressional feeling my i.f.t. contains excerpts from the record of 12th January attacking this trade and the weakness of the State Department in failing to get it stopped. Other excerpts, some of which are even rougher, have gone by bag addressed to Slater.

### **OUTWARD TELEGRAM**



### FROM THE SECRETARY OF STATE FOR THE COLONIES

# COPY FOR REGISTRATION

TO HONG KONG (Sir D. Trench)

Cypher

Sent 22nd January, 1966. 02.30 hrs.

CONFIDENTIAL No. 99

Following telegram of 20th January from Washington, addressed to Foreign Office No. 235, repeated for information to Saigon, Hanoi, Hong Kong No. 11, and Havana.

Begins.

Your telegram No. 182 Saving (of 14th January).

Shipping to North Vietnam.

I hope to see Mr. Mann on 21st January and shall inform him that we are ready for early discussion on this subject.

There is no doubt at all that pressure on the administration from public opinion and Congress is now very great, and that with no sign of a response from Hanoi they must be thinking not only of resuming the bombing but also about further measures of interdiction. I do not (repeat not) propose to mention Cuba to Mr. Mann, particularly as we have had some indications from a fairly high level in the State Department that for the moment we may get away with discussion of Vietnam only. We must however recognise that, although the administration may now be more concerned with Vietnam, this issue is inextricably linked in public comment with Cuba and even more at the moment with assistance to us over Rhodesia and it is unlikely that we shall for long be able to avoid discussion of the Cuban problem. In any case I think that it would be helpful if Jackson of my Commercial Department, who has been dealing with these matters here for the past three years, could discuss the whole question of shipping and trade with North Vietnam and Cuba with officials in London on 24th January (or on 23rd January if this would give you more time), en route to a Kennedy Round meeting in Geneva. Please telegraph IMMEDIATE if you agree and if so when it would be best for Jackson to arrive in London.



#### INWARD TELEGRAM

### TO THE SECRETARY OF STATE FOR THE COLONIES

# COPY FOR REGISTRATION

FROM HONG KONG (Sir D. Trench)

Cypher

D. 17th January 1966.

R. 17th " " 08.30 hrs.

IMMEDIATE SECRET No. 49 A 11 12 1 10 2 3 8 4

Addressed to Colonial Office.

Repeated "Washington (for Pankhurst) No.10
"POLAD Singapore (for Primmer) No.2
(Colonial Office please pass IMMEDIATE to both).

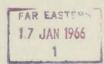
Ministry of Transport representative in Singapore has passed to us an urgent enquiry from Russell, Board of Trade, about British ships visiting North Vietnam in the last quarter of 1965. The following is the information available to Naval Intelligence here.

2. Twenty-one British flag ships visited North Vietnamese ports in the last quarter of 1965, for a total of 47 visits. Eleven were registered in Hong Kong, one in Bermuda and nine in the U.K. Only three however were of genuine British ownership, and these three were under foreign charter. Eighteen were owned by Hong Kong owners. Ten of these 18 were owned by the Ocean Tramping Group (which is C.P.G.-controlled), and only three by BRITISH Hong Kong interests as opposed to CHINESE Hong Kong interests. Furthermore two, and possibly three, of these British Hong Kong owned ships were under Japanese charter.

#### 3. The following are the details:-

SHIP	PLACE OF REGISTRA- TION	OCTOBER VISITS	NOVEMBER VISITS	DECEMBER VISITS	REMARKS
ARDROSS- MORE	Bermuda	Campha	Haiphong	Nil	Hong Kong British owners
BIDFORD	Hong Kong	Hongay	Haiphong	Nil	Hong Kong Chinese owners
DARTFORD	Hong Kong	Nil	Haiphong & Hongay	Hongay	Hong Kong Chinese owners
EAST WALES	Newport	Nil	Haiphong & Campha	Haiphong	U.K. owners

FORTUNE WIND





SHIP	PLACE OF REGISTRA- TION	OCTOBER VISITS	NOVEMBER VISITS	DECEMBER VISITS	REMARKS
FORTUNE WIND	Hong Kong	Nil	Campha	Nil	Hong Kong Chinese owners
GREENFORD	Liverpool	Haiphong	Nil	Nil	Hong Kong Chinese owners
HOFUNG	Hong Kong	Nil	Campha	Nil	Hong Kong Chinese owners
ISABEL ERICA	London	Campha (2)	Campha (2)	Campha (2)	Hong Kong British owner
JOLLITY	London	Nil	Haiphong & Campha	Nil	Hong Kong Chinese owners
KINGFORD	Hong Kong	Campha	Nil	Nil	Hong Kong Chinese owners
LA PRIMA- VERA	London	Haiphong (2) & Campha		Nil	U.K. owners
LAUREL	Hong Kong	Nil	Haiphong & Campha	Campha (2)	Hong Kong Chinese owners
LONGFORD	Hong Kong	Hongay	Nil	Nil	Hong Kong Chinese owners
NEWHEATH	London	Nil	Nil	Campha	U.K. owners
ROCHFORD	Hong Kong	Nil	Haiphong	Hongay & Haiphong	Hong Kong Chinese owners
SANTA GRANDA	Hong Kong	Campha	Campha	Campha	Hong Kong Chinese owners
SHIENFOON	Hong Kong	Haiphong	Campha	Haiphong & Campha	Hong Kong Chinese owners
SHIRLEY CHRIS- TINE	London	Campha	Nil	Nil	Hong Kong British owners
STARFORD	London	Nil	Hongay	Nil	Hong Kong Chinese owners
WAKASAY BAY	Hong Kong	Haiphong	Campha	Campha	Hong Kong Chinese owners
WISHFORD	London	Haiphong	Hongay	Nil	Hong Kong Chinese owners

14.



#### **INWARD TELEGRAM**

### TO THE SECRETARY OF STATE FOR THE COLONIES

- 4. In summary therefore:-
  - 12 ships made 14 visits in October
    - 5 ships made 20 visits in November
  - 9 ships made 13 visits in December.
- 5. The above information is assessed as 90% complete. So far the advantages to the Allies of these commercial visits by British flag ships to North Vietnam would appear to have outweighed any disadvantages. This is a view which was put to and agreed by Ministry of Transport representative Singapore and by C.-in-C. Pacific Fleet staff at Pearl Harbour.

(Passed to D.S.A.O. for repetition IMMEDIATE to Washington and POLAD Singapore)

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#### **OUTWARD TELEGRAM**

# FROM THE SECRETARY OF STATE FOR THE COLONIES

COPY FOR REGISTRATION

TO HONG KONG (Sir D. Trench)

Cypher

Sent 12th January 1966. 23.40 hrs.

17 JAN 1966

CONFIDENTIAL No. 50

Following telegram of 10th January from Moscow addressed to Foreign Office No.60 repeated for information to Washington, POLAD Singapore, Saigon, Vientiane, Phnom Penh, Bangkok, Peking, POLAD Hong Kong No.1, Canberra, Wellington and saving to Hanoi, Paris, UKDEL NATO and Bonn.

Begins.

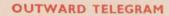
Today's Pravda publishes full text of Shelepin's speech of 9th January in Hanoi.

- 2. This speech contained no overt attack on the Chinese communist party or on Chinese aid to Vietnam and it gave no explicit advice to the North Vietnamese or the National Liberation Front. Shelepin's public reaffirmation of Soviet support for the struggle of the Vietnamese against the Americans and for the conditions of a settlement was unimpeachable in its orthodoxy. His thesis was that his country had done and would continue to do its duty. But his words held out no public hope that Soviet aid might be greatly increased. On the contrary, his reference to the dangerous situation in Europe and to the need for the Soviet Union to keep watch there could be interpreted as a warning that there are limits to the extent to which the Soviet Union can switch military resources to South East Asia. Similarly, although he omitted peaceful coexistence from his list of aims of Soviet foreign policy, he did put in the first place the need to ensure peaceful conditions for the building of socialism. It is, I suppose, possible that he has been warning the North Vietnamese and the National Liberation Front of the risks they will be running if they provoke the Americans into making heavier attacks on North Vietnam, and arguing, as a counterpart, that if only peace can be restored the whole country will sooner or later fall into their hands. Shelepin in this speech indicates that he will have taken this line if he has found that atmosphere unpropitious.
- 3. His remark on the unity of the Socialist States in aid to Vietnam are interesting in that they are limited to the Socialist States and do not extend to the International Communist movement as a whole, and also in that he welcomed initiatives by others but gave no hint that the C.P.S.U. or the Soviet Government were taking the initiative themselves.
- 4. According to Peking telegram No.11, Chen Yi has accused the Soviet Union of not making any effort to pin down U.S. troops in areas other than Vietnam. Shelepin claimed that the military might of the U.S.S.R. and the other Socialist countries 'is' pinning down Imperialists. He did not take up the challenge that the Soviet Union is afraid to send military material to Vietnam by sea, but he implied that it was doing its duty as regards aid in general. His defence of the programme of economic development



in the U.S.S.R. was unrepentant. If he made no overt attacks on the Chinese, he made no concessions to them.

5. Please telegraph if you require summary by telegram or full text by bag of Shelepin's speech.



# FROM THE SECRETARY OF STATE FOR THE COLONIES

# COPY FOR REGISTRATION

TO HONG KONG (Sir D. Trench)

Cypher

Sent 6th January, 1966. 01.00 hrs.

IMMEDIATE CONFIDENTIAL No. 18

Following Guidance telegram of 5th January from Foreign Office addressed to various Foreign Office posts and to Hong Kong No. Guidance 00405.

Begins.

Reference Guidance No. 532 (not to all).

Viet-Nam.

The series of diplomatic moves made by the Americans in the last few days have been designed to draw the attention of the North Viet-Namese to the opportunity provided by the temporary suspension of American bombing of North Viet-Nam for starting negotiations to stop the fighting. The basis indicated for these negotiations is contained in the 14 American points published in The Times of 29th December.

- 2. We ourselves have warmly welcomed this initiative and have supported it in the following ways:
  - (a) the despatch of a message from the Prime Minister to Mr. Kosygin, making clear British support for the American effort to bring about peace talks and asking for the Soviet Government to use their influence to this end;
  - (b) the Prime Minister's talk with the Soviet Charge d'Affaires in London to the same effect;
  - (c) an approach by H.M. Consul General in Hanoi making clear to the North Viet-Namese the American desire for peace talks and offering to transmit any message on proposals.
- 3. So far no replies have been received to our own approaches, but public statements by Communist leaders have not been encouraging. On 4th January, for instance, a statement issued by the North Viet-Namese Foreign Ministry referred to the United States Government's "large scale deceptive peace campaign coupled with the trick of temporary suspension of air attacks" and reiterated that a political settlement of the Viet-Nam problem "can be envisaged only when the U.S. Government has accepted the four point stand of the North Viet-Namese Government, has proved this by actual deeds, has stopped unconditionally and for good its air raids and all other acts of war against the D.R.V."



4. You should not initiate publicity, but you may draw on the above in discussion with officials of friendly countries, and also say that H.M.G. believe that the Americans are absolutely sincere in their efforts to bring about negotiations, efforts which are fully supported by H.M.G. who attach the greatest importance to taking advantage of the favourable opportunity presented by the situation at this moment.

